



CONTINENTAL SELLING PERCES: AUSTRIA Sch 15; BELGIUM Fr 25; DENMARK Kr J.S; FRANCE Fr J.O; GERMANY DM 2.0; ITALY L 500; NETHERLANDS FI 2.0; NORWAY K- 2.5; PORTUGAL Exc 20; SPAIN Pts 40; SWEDEN Kr 3.25; SWITZERLAND Fr 2.0; EIRE 15p

GENERAL

Cheven Workbook

Three more bombs found

vesterday as the IRA's mainland campaign continued. One was defused in London's West End and the others were found in Bristol and Southampton.

The discoveries came 24 hours after bomb blasts in five provincial cities, followed by two reached l. Government Securiexplosions in London early ties ludex fell 0.24 to 58.56. cial cities, followed by two explosions in London early

yesterday.
All the London bombs—at High Holborn, Great Russell Street and Windmill Street— were left in cars which had been hired by means of a forged driving licence. Only one person

The bombs in Bristol and Southampton, two of the cities hit on Sunday, were on a road tanker and near some petrol pumps. Both were defused. News Analysis, Page 6

Iran mutiny

About 25 Iranian soldiers mutineered during an anti-Shah demonstration in Tabriz, Iran. They laid down their arms and allowed demonstrators to take over vehicles. Back Page

Israel adamant

Israel is refusing to resume peace talks until Egypt with to 9.4 (8.7) per cent. draws its "ridiculous" • WALL STREET was 05 20.27 said talks could only resume on the understanding that proposals brought from Caipo by Cyrus Vance, U.S. Secretary of State, were unacceptable. Page

Sect's bequest

Too People's Temple sect, involved in a mess murder-suicide part last mouth, left more than \$7m (£3.5m) to the Soviet Communist Party. according to a will produced at at inquest in Guyana

Paper talks

Journalists and the Newspaper Society will meet loday for informal talks on the provinded newspepers strike, now in its third weak Page 8

Gandhi uproar

Parliament 2s MPs debated whether or not Indira Gandhi Should be punished for breach of privilege. MPs hurled abuse in the House, and rioters backing Mrs. Gandhi were dispersed with teargas in the streets.

U.S. 'a wolf'

expanding

rations.

Taiwan President Chiang Ching-Ruo said that by opening its ushered a wolf into its living foom." He also rejected an anvitation to hold talks with China. Page 3

Report rejected

The Association of District Councils has told the Government it rejects all the main recommendations regarding council lotteries in the Royal Commission on Gambling's report. The councils fear Government meddling in the lotteries, which could raise £17m this year. Page 6

Briefly . . .

Lebanese coastguards seized a ship carrying 2.75m contraband American cigarettes.

Liverpool's new Royal hospital was hit when 200 ancillary workers walked out over remarks by a nursing sister. Oldest Roman mosaic floor ever found in London has been un-covered in the City. Page 7 Strike by baggage handlers and refuellers grounded two-thirds of domestic flights at Sydney

UK and Argentina began talks Geneva over the disputed Faikland Islands.

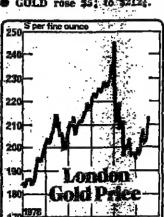
BUSINESS

Equities off 7.0: Gold up \$5\frac{3}{4}

 EQUITIES resunted their down trend on dollar's weakness following news of the OPEC oil price rise. FT 30-share index fell 7.0 to 474.0, the lowest since November 21. Gold-Mines index rose 3.0 to 133.7.

• GILTS: Shorts losses extended to it. Longs traded moderately.

● GOLD rose \$5; to \$2127.



• STERLING rose 2.35 cents to \$2.0055. Trade-weighted index widened to 634 (63.2). Dollar's depreciation weakened to 9.4 (8.7) per cent.

at 785.08 near the close. EONG KONG Hang Seng index dripped 11.68 to 496.34. PARIS: LAC Industrial Index closed at \$5.3 (76.1). FRANKFURT Competabank index fell to 382.69 (\$21.29). TOKYO EE ildex slipped 2.09 to 15.5

• SHORT-TERM, interest rates could fall duping 1529 with Minimum Lenging Rate below 10 per cent by the end of the year, brokers Phillips and Drew

• GOVERNMENT has asked the Bank of England to try National Union of persuade the main banks to set up a special guarantee system to underwrite the loans they make to small companies (Back Page). The Bank has agreed to take responsibility for licensing money brokers, it was

There was uproar inside and BRITAIN has officially com-outside India's Lawer House of plained to Norway about the plained to Norway about the steep rise in development costs on the Anglo-Norwegian Stattjord oilfield. Back Page

confirmed.

• CHRYSLER UK seems set

for heavy losses in the current, year after a series of damasing industrial disputes. Back Page UK ATOMIC Energy Authority's £13m order for com-Energy

puters placed with International Computers could fall foul of the new U.S. Non-Proliferation Act. Back Page

 WORKERS at Leyland, Vehicles Lancashire plants rejected the company's proposals on investment and other strategies, which they claim could mean big redundancies, and called for a meeting with the full BL Board.

Page 8 COMPARIES

SONY CORP. net profit fell 28 per cent to Y25.65bn (\$131m) from Y34.64bn for the year to October 31. This was because of the yen's rise in value, the company said. Sales expanded 5.7 per cent to Y534hn (\$2.7bn)—a new record. Page 32

TRICENTROL more than doubled pre-tax profits to £7.01m (£3.4m) on turnover of £110m (£70.4m) in the first nine months of this year. The group's share of Thistle Field oil production made a pre-tax profit of £3.6m. Page 28

CHIEF PRICE CHANGES YESTERDAY

	(Prices in pence unless otherwise	indicated)
		Lloyds Bank 278 - 8
	BISES: Bank of Ireland 407 4 14	MFI Furniture 168 — 6
	Cement-Roadstone 102 + 6	Metal Box 298 - 10
•	De Vere Hotels 179 + 5	Mills and Allen 225 - 7
	Edwards (Louis G.) 25 + 4	Monk (A.) 903 - 62
	Edwards (Louis G.) 25 + 4 Hartley Ind. 33 + 3	NatWest 278 - 8
	WOMING HOLGIR 191. L'S	I City (II-) Lil
•	Vaal Reefs£12 + 3	Racal Electronics 336 - 8
	FALLS:	Reckitt and Colman 450 - 10.
	Treasury 9 pc 1983 £88 1 - 1	Sotheby 338 - 7
,	Treasury 12 pc 03-05 £442 - 1	Taylor Woodrow 403 - 12
	BATs Defd 283 - 4	Thorn Elect 356 - 8
,	Costain (R.) 232 - 8	Turner and Newall 166 - 4
	Construide 119 _ 4	United Scientific 257 - 5
•	ERF 132 - 4	Gothre 320 - 7
•	ERF 132 - 4 Ferranti 348 - 7	Ashton Mining 62 - 14
	GEC 328 - 7	Conzine Riotinto 260 - 10
	Gninness (A.) 158 - 4	Northern Mining 65 - 17.
	Hawker Siddeley 218 - 8	Westfield Minerals 230 - 50
		the restriction of the same of

Dollar falls sharply No exchange after decision to raise oil price

BY MICHAEL BLANDEN

The dollar fell sharply in European foreign exchange markets yesterday following the weekend news of next year's 14.5 per cent rise in oil

The decision by the OPEC rose sharply to touch \$214, an countries created general concurred over the impact of increased prices on the already level. weak U.S. balance of payments,

This brought the first sustained selling pressure since the U.S. administration announced its support package for the dollar at the beginning of last

The pressure was met by widespread official support for the currency, in Europe and later in New York. But the dollar ended in London down by over 11 per cent on average, West Germany and Japan, with the Bank of England's brought an apparently undisindex of its value dropping from 84.5 to 83.4. The decline in the dollar was

\$2 level for the first time since the end of October. Wall Street was also hit and shortly before the close the Dow Jones average had fallen over

20 points.

Decline in the dollar also affected the price of gold. Early in the day, the gold market was uncertain ahead of today's U.S.

BY FLINOR GOODMAN, LOBBY STAFF

ment on pay more than a year old, in an attempt to show that it

on the subject. The statement was one agreed by almost all shades of opinion within the

Speaking to party members at

Paddington, West London, she

that she favoured a wages "free-for-all," while keeping open as

Rejecting "fixed, inflexible percentages," she said that a Conservative Government would

talk with all the parties involved

to get across the message that a "solvent nation" could

operate only within certain " in-

she reiterated, set out in The Right Approach to the Economy, the Tory policy document pro-duced before last year's party

scapable financial constraints." The party's pay policy was

many options as possible.

seemed to want to kill any idea

party.

day took refuge in a policy state- Mr. James Prior.

united front

News of the OPEC decision has hit the U.S. currency at a difficult time. It had already been slipping gently in the markets last week, as the initial improvement brought about by the November measures began

The prospect of a rise in oil prices, though it might be expected to affect other large oil-importing countries such as criminating reaction against the

reflected in a sharp rise in the OPEC announcement came overpound, which moved above the 12 level for the first simulation. night in Far Eastern markets. DM European dealings, the value of the currency was quickly adjusted to the lower levels established previously, and though there was further steady pressure dealers reported that of the dollar. At the end of it did not seem to be gathering trading, sterling stood at \$2,0055 momentum.

y central banks was sufficient ing index rose from 63.2 to 63.4.
bring some stability later in Money markets, Page 33, Later, however, the gold price

Mrs. Thatcher turns to

MRS. MARGARET THATCHER, Ministers including Sir Keith impression created by her tele-

the Conservative leader, yester- Joseph, Sir Geoffrey Howe and vision appearance during this

bility of the Government's

becoming involved in the pay

In view of the way the speech had been presented in advance as a major policy

initiative, some Conservative

MPs appeared disappointed by

its contents. They asked why she had risked opening up old

wounds within the party if she

did not have anything new to

Others defended her speech

on the grounds that, if the party is to make the best use

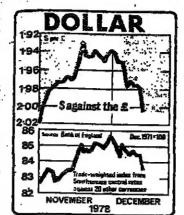
of the Government's embarrass-

ment over pay policy, it must convince the public that it has a plausible policy of its own. It is essential, it is being said.

year-old pay poliny

forum.

conference by a team of shadow for Mrs. Thatcher to kill the



dollar lost ground against the strong European currencies in spite of support in both West Germany and Switzerland. The Bundesbank was reported to have bought \$18m at the Frankfurt market fixing, but the dollar closed at DM 1.8585 compared with

DM 1.8930 on Friday. The pound reached the best level of around \$2,008, with the Bank of England also reported to have intervened in support for a gain of just over 2.5 cents As a result, the intervention from Friday's \$1.98. The steri-

Money markets, Page 33, Lex, Back Page

controls on Irish deals

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE GOVERNMENT has de- not be windfall gains for those cided not to impose exchange controls on capital transactions with Ireland for the time being.

The statement by the Treasury last night will end the confusion which has reigned since last Friday, when Ireland announced that her pound, unlike sterling, would be linked to other EEC currencies from January 1 in the proposed European Monetary System.

The British decision was principally influenced by Irish assurances about maintaining the present parity with sterling, and by imposition of exchange by the Government.

The Treasury said that the authorities would not extend exchange controls to Ireland 'in the immediate future, but they will keep the situation under continuous review."

The UK authorities "would be able to impose exchange controls at very short notice if necessary." If this should be necessary full details would be provided at the time.

"Meanwhile it should not be assumed that if controls are extended. Irish securities held British residents would attract the investment currency premium.

This is a clear warning that if controls are extended there will

British residents who have invested in Irish securities, notably gilt-edged stock, on a large scale in recent months. There would probably be a

cut-off date perhaps the time of the Bremen EEC Summit in early July, after which the windfall benefits of the premium could not be secured. The premium is the extra

amount which British residents pay when buying foreign currency to purchase overseas assets and receive on their sale.

The Treasury statement also specifically referred to the Irish Government's "hope and expectation" that the Irish pound would not in practice diverge from sterling, at least for some time.

A key influence on the Treasury decision appears to have been the intention of the Central Bank of Ireland to continue to buy and sell Irish pounds and sterling for the time being on a one-for-one basis. Consequently there would be no change in the present parity. This applies to both forward and spot transactions.

The other factor has been introduction by Ireland of Continued on Back Page Farming and raw materials,

Healey warning on dangers to EMS

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

efforts to stabilise currencies through the planned European Monetary System could not be made to work properly if the U.S. dollar came under serious pressure in the wake of the OPEC oil price decision, Mr. Denis Healey, Chancellor of the Exchequer, said yesterday.
Count Otto Lambsdorff, the

Mr. James Prior.

Showing its mixed authorship.

Erighton, that she was in favour German Economics Minister, it includes passages which of a wages free-for-all. Opinion also warned after an EEC appeal to monetarists as well polls have shown that this is Finance Ministers meeting in as phrases which suggest that not a popular stance and, in Brussels that the OPEC deci-the party accepts the inevitaconference post-mortems, some sion could have a bad effect on shadow Ministers felt that the

Mr. Healey said that turbulence in the existing currency currencies, snake, the Common Market's The majoint float, over the past two agreed, on years had been due mainly to by EEC cen flows of money out of dollars and into the D-Mark.

He doubted whether the EMS,

after it took effect on January 1. would be any more successful than the snake in discouraging

BRUSSELS - The EEC's such inflows. It would not be possible to stabilise European currencies unless reasonable dollar stability was also assured. The Minister decided that the

parities at which participating currencies will enter the EMS will be based on market rates at the close of trading on Decem-Members of the snake-Germany, Denmark and the

Benelux countries—have said they intend to keep their present relative parities inside the EMS, but there could clearly be some adjustment over the next 10 days of other EEC The majority of ministers

agreed, on the basis of a report by EEC central bank governors. that gold deposited with the European Monetary Co-operation Fund in exchange for European currency units should be valued at 75 per cent of the free market price.

Petrol companies seek 2p increase

BY SUE CAMERON

THE MAJOR oil companies are expected to press the Government for permission to put up the prices of their petrol and heavy fuels by he-tween 2p and 2.5p a gallon following the weekend deci-

sion to raise oil prices. Major oil companies were saying yesterday that the alternative to an across the board increase in oil product prices would be a steeper rise in petrol prices. Mest of them are anxious to spread the rises over a range of products, depressed profit margins on such Items as heavy fucis. They also see the OPEC oil increases as an opportunity to recoup increased internal

Worried

If applications to the Price Commission for an all-round increase fail, the main burden of the OPEC price rises will fall on the petrol market. This would mean that the price of a gallon of four-star petrol in the UK would go up by at least 4p over the next 10 months.

The oil companies age worried that the Government may turn down an across the board rise in oil product prices because of its impact on the retail price index. An increase in petrol prices alone would have a less infiationary effect. but it could help to trigger off another pump price war.

Greater

In the past, high petrol prices in the UK bave en-couraged cheen imports from Russia and Eastern Europe. The major companies are now preparing to out their plans to the Price Commission but no decision from the commission is likely to come through until the beginning of March at the enrilost. hir. Anthony Wedgwood

Benn, the Energy Secretary. said vesterday that the OPEC increases — which greater than h expected-were "not good news for jobs, for trade or for the economy as a whole." Effects on UK industries,

Page 14

£ to New York

Dec. 15 | Previous

+17-47-38-14

SE will probe Alginate deals

SY ANDREW TAYLOR

has launched a preliminary from Merck. inquiry into share dealings in rose to £7.02m (£4.87m) on net ing group which received a auction sales of £161.1m £211m bid last week from (£123.94m) for the year to Merck, the U.S. pharmaceutical August 31. Page 28 and Lex group.

The Stock Exchange also con-firmed that there was to be fullscale investigation of the marked drop in the price of Dunbee Combex Marx shares before the toy group's interim results in October. The preliminary inquiry into Alginate share dealings was

prompted to a sharp rise in the

THE LONDON Stock Exchange approach had been received agreed bid price of 385p a

The Stock Exchange stressed that any sharp share-price movement was monitored by the Exchange "as a matter of Exchange "as a matter of routine." It was too early to say whether Alginate would be the subject of a full investiga-

According to Stock Exchange records no dealings at all in Alginate were marked between November 28 and December 7. On December 11, 24 hours before the bid approach announcement, the shares rose by 23p, to 255p. By the end of last week share.

The Stock Exchange's full

party's electoral chances would

be hampered if this impression was allowed to stand.

Mrs. Thatcher said yesterday that the Tories shared the

Government's aim of reducing

inflation, but not its methods.

Strict control of the money

supply, together with firm management of Government

expenditure, were important features of the party's approach.

about recognising the need in both public and private sectors

for varied rates of pay, with

increases which reflected supply

and demand, skills, effort, experience, risk and the em-

Editorial comment, Page 14

ployers' capacity to pay.

talked enigmatically

investigation into Dunbee Combex Marx share dealings follows the drop in the group's share price before announce-ment of a £2.96m first-half loss. In the month before the loss announcement Dunbee's share price slipped 33p to 120p. This was despite a previously optimistic statement on profits by Lord Westwood, Dunbee's chairman.

The share-price fall may have been influenced by a pessimistic report on the group from the stockbrokers Montagu Loebl group's shares shortly before Alginate's shares had risen to Stanley before the interim state-an announcement that a bid 370p, compared with Merck's ment.

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Now Is The Time To Look Banks Position Enhanced 31 PT SURVEY

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BONN - The West German offered both sides a face-saving steelworkers' union. IC-Metall, wa your of an impasse. For the yesterday turned down officially steel employers, it made a the complex compromise deal, special case out of men workbacked by an independent ing "swing" shifts and other mediator, that had offered the unsocial hours, without conced ing for theindustry as whole the best hope yet of an early solution to the stoppage in the IG-Metall claim for a general industry, now entering its "first step" towards a working fourth week. week shorter than the present

40 hours.
Tailored closely to the steel Herr Eugen Loderer, the IG-Metall president, said in a radio interview that the union reindustry's working conditions, mained ready to resume negoit would have been difficult for tiations at any time. But he the union to transfer it to the warned that he could see no engineering sector, where its chance of a solution before next major wage battle will be Christmas. The union leader next major wage battle will be criticised the compromise package on the grounds that fewer
than half of the 200,000 steelworkers in the North RhineWestphalia. Bremen and Osnabrueck regions would benefit from
the state of the same time, IG-Metall
for the same time, IG-Met

Getting Danish numbers
BY HILARY BARNES

COPENHAGEN - The intelli- covered the Warsaw Pact's In-

finding and analysing a collec-

tion of reference books contain-

health service personnel in an

abandoned car on the Finnish

Two members of Folketing

(parliament) have put down

questions to the Minister of

Justice asking him to provide

gence service of a Warsaw Part terest in CPR numbers after

numbers of about a quarter of ing the names of Danish per-the Danish population. accord-sonalities, local government and

Everyone resident in Denmark Swedish frontier. The reference

has a CPR number which is used books contained the CPR to keep a complete computerised numbers written in the margin

insurance companies. Justice asking him to provide
The newspaper said that a further information on the news-

register of the population. The in invisible ink.

Nordic intelligence service un- paper claims.

from the proposed deal on the compromise proposals. The shorter working hours. most important point would be In the meantime, the to give the men working mediator. Herr Friedhelm unsocial shifts four extra free Farthmann, the North Rhine-shifts this year, and 61 days in 1980. A 4 per cent pay rise, longer holidays and a three-year Westphalia state Minister of Labour, announced that he was giving up his efforts because he basic wage contract were the could see no possibility of other key elements, further movement on either Despite the neg

taken by all parties on Monday, Herr Franz Weisweiler, chair- many observers are still confi-nan of the Iron and Steel dent that Herr Farthmann's man of the Iron and Steel Employers' Association, warned compromise will form the basis that the weekend compromise of an eventual deal. Both sides must be accepted as a whole, or appeared last night to be waitnot at all. Now that the union ing for the right psychological had turned it down. "every- and political moment before thing is wide open again," he making any further move. said.

Some 80,000 men in the

The compromise solution had industry are either on strike or seemed attractive because it locked out by their employeers.

country has collected the

Central Presons Register (CPR)

ing to Berlingske Tidende, the

numbers are used by the tax and car licence authorities, the

health service, and by banks and

Copenhagen newspaper.

Chirac seeks to purge critics

By David White

PARIS — The cat-and-dog quarrels erupting around M. Jacques Chirac, leader of the Gauilist party, Rassemble-ment pour la Republique (RPR) have grown so ferocious that the hone the party has been picking with the Government has been forgotten momentarily.

At the weekend, M. Chirac snarled back at M. Alain Peyrefitte, the Justice Minister and one of the senior Gaullists in the centre-right Cabinet, who had written to RPR deputies to say that M. Chirac has gone beyond the pale in accusing the Government of selling French sovereignty.

M. Chirac urged him to do the decent thing and leave the party.

The main centre of controversy, however, has shifted from the European question, on which M. Chirac has considerable Gaullist backing and public anti-German sentiment to support him, to his own autocratic style of leadership.

M. Alexandre Sanguinetti. a Gaullist heavyweight who withdrew his support from M. Chirac last week, returned describing the party organisa-tion as "authoritarian, not to say fascist." In a newspaper interview, he complained that some of the Gaullist movement's most loyal memhers

The attacks of M. Sanguinetti were almed at the party's "conformism and immobility." On Europe, he had little with which to reproach M. Chirac, "barring come excesses." M. Chirac's some excesses." M. Chirac's controversial declarations, issued from a hospital bed at the beginning of the month, were in line with his own attitudes and those of M. Michel Debré, that other Gaullist stalwart.

But, If M. Sangulnetti and M. Peyrefitte diverged on the political issue, they both accused M. Chirac of being manipulated by a smail group of close associates within the party. The Justice Minister referred to them as " hidden personalities," while M. Sanguinetti dubbed them the Gang of Four." ITALY'S STATE ENTERPRISES

Unedifying ritual for choosing new leaders

chairman," one prominent left- Italy's internal situation, which wing Italian Deputy is reported has made it even more import-

Boyer, managing director of the state conglomerate Istituto per

to the top jobs at the largest

to which the selection of chief executives of bodies which are central to the country's industrial well-being is dictated by political rather than managerial considerations. Secondly, it shows how the Left, either openly or covertly, joins in a process once held to be virtually the exclusive preserve of the Christian Democrats and

ROME — "That's all we things have been, if anything, state broadcasting authority, become something of a symbol need, for the managing director worse, thanks both to the RAL to start thinking he has the importance of the prizes at There is also Ente Nazionale way of doing things. He was right to be a candidate for stake and to the delicacy of litrocarburi (ENI), the publicly also the candidate of IRI

to have said about the ant than usual for the politi- supplies electricity, EFIM, an chairman, row which has engulfed cians to get the right men in manoeuvring for appointments the right places. The struggle is the most vivid example of the inextricable

state-owned enterprises.

He was referring to the links between politics and attempt to oust Sig. Alberto industry in Italy. It is fought out on the battlefield of the public sector which accounts for ha Ricostrucione Industriale roughly 50 per cent of the (IRI), the largest and probably the most influential corporation of this type.

The entanglements are epitomised by the existence of a separate Ministry of State Apochryphal or otherwise, Participations— in a sense the the outburst is revealing, hub of the wheel by which Firstly, it indicates the extent political patronage is extended. deep into almost every nook of

the economy.
The spoils on this occasion include more than IRI, with its 500,000 employees and L14,000bu (£9.5bn) of declared turnover, and which probably exerts even greater influence in that it controls four of the country's largest commercial banks, much of Italy's steel and their factions.

At the best of times the ritual is less than edifying. This year engineering industries, the state airline Alitalia, the telecommunications sector and the

ENEL, which both produces and manufacturing activities in the man like Sig South, and INA, the state insur- stands IRL ance group.

To make matters still worse, the spoils have to be distributed in such a way as to respect the current fragile balance of political forces. In the last few days the pressures have become so great that the whole simmer-ing pot has boiled over, with a public call for the resignation Antonio Bisaglia.
Sig. Bisaglia's demand was based on the allegedly un-

authorised involvement of an IRI subsidiary, Condotts has come for a return to d'Acqua, in a murky Iranian revamped version of the property deal but almost every. Gentre-Left in alliance with the one believes that the Minister was making a bold, if not desperate, gambit to secure the pattern of appointments be

idrocarburi (ENI), the publicly also the candidate of IRI owned oil and gas corporation, management staff who want to replace the outgoing Guiseppe

Stg agency with interests in the Petrilli, not with some Over ENI too, the factions arms industry and in various political nominee, but with a are in dispute. The currently man like Sig. Boyer who under-

More partinently, he has altracted the support of Christian Democrat factions at odis with Sig. Bisaglia and, in particular, of the party's secretary-general, Sig. Benigno Behind the where. Behind those, in turn, of Sig. Boyer from the Minister are the rival strategies at the of State Participations, Sig. heart of the party's divisions.

Antonio Bisaglia. whether it should pursue cosig. Bisaglia's demand was existence with the Communists (PCI) as favoured by Sig. Zaccagnini, or whether the time

Socialists.
The struggle over the nominations is thus intimately nominated with both the christian the Christian control of the christian control wanted. inanoeuvring before the Chris- an issue that could have Unfortunately Sig. Boyer had tian Democrat congress in the come at a worse time.

political dilemma facing Italy.
Ostensibly, at least, the Communists are on the stdelines, though they would doubliess like Sig. Boyer to stay on at

favoured solution is for the chairmanship to go to the Socialist-leaning add Socialist Party, candidate, Sig., Giorgio Mazzanti, but there is still talk that the present incumbent,

Sig. Pietro Sette, should stay where he is. The whole Gordian knot is exchanges are the competing expected to be cut at a Cabinet grand designs of who should go meeting this week after a final flurry of meetings between the principal power-brokers. But whatever solution is adopted

parliamentary gauntlet. For Sig. Giulio Andreotti, the Prime Minister, the State conissue which could precipitate the downfall of his Government With a three-year economic recovery plan and the renegotia-tion of wage contracts already queueing up for attention, it is an issue that could hardly have

Warning by

Moscow on

Sino-U.S.

agreement

Although the Soviet leader

ship has not yet made any

official comment on the Sino

U.S. decision to establish diplomatic relations, Soviet

media commentators have

underlined that while the decision itself was not surpris-

ing, normalisation of relations, if it took an anti-Soviet

Scandinavia air talks resume

By William Dulfforce

STOCKHOLM-Talks between Britain and the three Scandinaviun countries on a new airline agreement resumed here yesterday with only 13 days to go to the expiry of the existing agree-ment. Both sides expressed hope that the remaining differences would be settled before the end of the week. Failure would mean the end of scheduled airline services between Britain and Denmark. Norway and Sweden
January 1.

Still to be agreed are the destinations for new North Sea routes and the rights of inde-pendent British airlines to n share in the traffic. The existing the Scandinavians last December after pressure from the British authorities to allow other air lines to provide competition to SAS and British Airways, who control about 80 per cent (cone

E. Germany sets lower targets

BY LEGILE COLITY

line with other Comecon countries, has lowered its plan targets for next year, but not as sharply as in most of the other Communist States.

East Germany's national in-come, roughly equivalent to GNP in the West, should rise by 4.3 per cent, one of the lowest targets in recent years. This is largely due to much reduced target figures for year, and to achieve the overall five-year target East Germany's national income would now have to rise an unlikely 8.5 per cent

BERLIN - East Germany, in M8.6bn next year, presumably the increase agreed at the Warsaw Pact meeting in Moscow late last month which Romania refused to endorse.

annual spending of over M3bn for its border troops and internal security which, to-

Industrial production in East achieved in 1977. Germany should increase by 5.5 . Retail trade turnover, an indianimal production, of 1.3 per per cent compared with 5.7 per cation of the level of private cent growth. The five-year plan cent planned for this year consumption is set to expand had stipulated 5.1 per cent Actual industrial production by 4 per cent in 1979, the same growth in national income next went up 4 per cent last year as always for the same production. went up 4 per cent last year as planned for this year. The and 6.4 per cent in 1976. Here target figure for 1979 is in line Erich Honecker. East Germany's with the five year plan. These President and Communist Party targets have been over-fulfilled

Labour productivity, a key element in achieving industrial growth, is expected to increase by 4.6 per cent next year com In addition, East Germany has pared with a 5 per cent target natual spending of over M3bn for this year and 42 per cent growth last year. Invest-ments should increase by 5.6 gether with defence, made up per cent next year gether with defence, made up ber cent next year gether with the planned 2.1 per cent like year and 5.4 per cent like year and 5.4 per cent

bias, rould be "fraught with grave danger to peace between Asia and discurre." Moscow Radio, broadcasting to a domestic audience, poted

that " the Chinese authorities have of late stopped talking of their hely duty to liberate Talwan and now they even speak of reaching a settle-ment with the fascists on the basis of preserving a capitalist system on the island. It is not surprising that after such assurances, Washington has decided to recognise the present Chinese regime." In its broaders to South-

East Asia, Moscow Radio com-mented that "the NATO headquarters regard as a natural ally its branch in the East, so to say, and this too saits the imperialists who the world into bloes opposed to each other." In view of the diustion in Victorm, it added "the idea of creating a tribucitie military and political alliance of the U.S., Japan and China cannot but

arouse anxiety." Significantly, the Soviet media has also quoted at media has also quoted at length a statement in the Japanese Communist Party newspaper Akainata Relations between Muscow and the Japanese Communist Party cooled down considerably during the unsuccessful negotiations on a Soviet-Japanese friendship treaty. Soviet refusal to hand back the four Kurile islands occupied at the end of the last war offended the nationalist war offended the nationalist susceptibilities of the Communist Party as well as the Government. Relations have improved, however, since the signature of the Sime-Japanere.

improved, however, since the signature of the Simp Japanese friendship ireaty. Akahata, quoted at length by the Soviet news agency TASS, moted that "the U.S. will continue to maintain relations with Taiwan and the massivility of U.S. interrelations with Taiwan and the possibility of U.S. interference will remain." It acused China of planning to perpetuate and consolidate the Japanese U.S. military alliance, of support for the re-birth of Japanese militarism, the deployment of U.S. nuclear imbrella.

Athens bombs an attack on democracy

By Our Own Correspondent ATHENS - Greek security police are investigating a police are investigating a series of more than 50 bomb explosions in which seven people were injured, one of them seriously, late on Sunday night.

An amonymous telephone caller teld an Opposition newspaper that the explosions were the work of the "group.

were the work of the "group for national restoration" and were meant to commemorate the death of Evangelos Mailios, a former police super-infeadent convicted of torturing political prisoners during the Juata days and shot by unknown assessing two years ago. two years ago.

Mr. Andreas Papamireon the Opposition leader, has said the explosions were meant to undermine the country's democratic regime and actused the Government of being too leatent with neo-fascist elements.

In what way is the lour Sam different from other office buildings in Brussels?



This is how Madame Ferrero-Gaggero, Director of Sifi Louise S.A., wich is the owner of the Tour Saifi, answers this question.

You're hardly the first or the last to build an office block in Erussels. What's new about it?

It's true there are a lot of office buildings in Brussels and many are of the highest standards. The Tour Saifi is one of them. It's probably the only first-class office building which leases office space in small units. If, for example, a large international company wants to set up in Brussels but doesn't want a large amount of office space, they will find in the Tour Saifi building the image they seek and the scace they need.

And if they then need to expand, it's done easily enough at the Tour Saifi. There's no need to move. There are 24 floors and every level has been designed so that there's practically no limit to space flexibility. Additional offices can be made available as the firm expands.

Apart from siexible space, what will new tenants find here?

The owners are on hand in the tower. A company which chooses to set up here doesn't have to resort to a middleman but can directly contact the person with the power of decision, to solve planning problems quickly without wasting time.

Besides, new tenants have access to a whole range of services especially created for them. Let me explain. After a company has been set up, it takes some time before becoming fully operational. Staff has to be recruited, a telex installed ... etc. The services we provide ensure a smooth start. They could use our secretarial service, our telex and also book hotel rooms, plane seats and car rental through us. Besides there are many more common facilities available to all tenants.

Like what for instance?

Security and comfort are computer-

controlled, allowing savings in time and

There are three underground car parks plus a very pleasant restaurant and cafete-

Soon every tenant will be provided with a magnetic key which will give him permanent access to the tower even out of offi-In the near future, a surveillance sys-

tem will be installed. There will be constant closed-circuit T.V. surveillance of the entrance hall, the parking area and the

All this is part and parcel of the highquality services available at the tower.

You certainly emphasize the quality aspect. Could you say a bit more about this?

The location of the building is an important element. The Avenue Louise area is, I think, the most select in Brussels, both from the business and residential point of

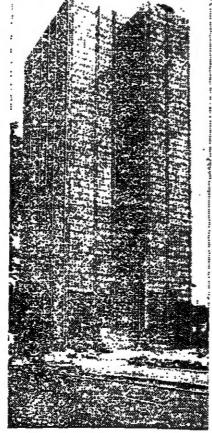
An area where many international companies are established, with many firstclass hotels and restaurants. The motorways and airport are within easy reach.

The tower's design is another important aspect. We wanted to put up a building that could be both attractive and functional and would blend in with its immediate surroundings. From this point of view, the Tour Saifi is a success.

A success for which you make the lenants pay?

Not at all. The Tour Saifi is a high quality building but not a luxurious one. Everything is functional, nothing superfluous. The rent is very reasonable considering all the ser-

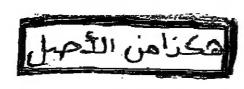
The quality/price ratio is one of the most favourable in Brussels.



Avenue Louise, 326 - Bte 3

1050 Brussels Telex: 26227

For additional information, contact the Telephone: 32-2/647.01.89



leader, told his central com- each year as personal income mittee last week that East has risen faster than planned. Germany had to achieve inter- No figures have been released in 1980. The country's Finance Minister national standards in its indus- on the growth planned for the has disclosed that defence spending is to increase from trial production, or industry net income of East Germans, 8.26bn East German Marks would be "organising a con-which was set at 4 per cent (£2.19bn) planned this year, to stant and costly lag."

Credit aid for Danish shipowners BY OUR OWN CORRESPONDENT

COPENHAGEN-The A. P. with no repayment of principal, the Ship Credit Institute." Moeller shipping and industrial Under the existing terms. AP adds: Mr. Christiansen group has placed an order for ships are financed on the same rejected a request made by the four specialised container terms but over 10 years with shipowners last week for access vessels, understood to be of no grace period. about 33,000 dwt each, with its subsidiary company, the Odense the shippard workers' union, vessels. The Minister told a

shiovard at Lindoe. The apacuncement was made fter a decision by Mr. Arne Christiansen, Minister of Commerce, to improve the terms on which vessels ordered by directly in Danish shippards, Danish owners at Danish yards can be financed. Under the new terms, up to 80 per cent of the price of vessels can be financed through the Ship Credit Insti-

no grace period. to take up foreign loans to fin-Mr. Charles Hansen, leader of ance the operation of their

said the new arrangement could

Mr. Christiansen is still considering whether to offer ald to shipping companies, many of which are heading for an

questioner save up to 5,000 jobs in the that Denmark's monetary polishipyards and as many again cles do not permit private loans with sub-contractors. About abroad for such purposes and 11,000 people are employed that no exception could be made for shipowners. He expected to produce pro-

posals early next year for tiding over shipowners for the next three to four years. A twothrough the Ship Credit Insti-tute at 8 per cent over 14 years ment does not offer them a debts to the Ship Credit Instiwith a four-year grace period moratorium on repayments to tute is one possibility.

Renault will lay off 1,200 workers

Renault, the French stateowned motor company, is to lay off 1,200 workers for a week at its Grand-Couronne compopents manufacturing plant near Roven, because demand has been hit by a strike of customs officers in Iran, writes Terry Dodsworth in Paris, The company assembles its R-5 model in Iran, using a large France. The lay-off will occur during the slack Christmas holiday period next week.

Euratom loan

Euratom, the Common Market's atomic energy body, yesterday announced a loan of \$49.4m to the Italian electricity generating concern Ente Nazionale per l'Energia Elettrice, Reuter reports from Brussels. The money will finance construction of two new units generating 2,000 MW at power station in Latlum. The luan is for 12 years at 9.75 per

Portugal production

Portugal's industrial index was down 25 per cent from July but up less than 1 per cent from the same month last year, according to the National Statistics Institute, AP-DJ reports from

Ecevit in Sweden MR. BULENT ECEVIT, the

Turkish Prime Minister, began three-day official visit to Sweden yesterday as part of a European tour, Reuter reports from Stockholm. Mr. Ecevit. who earlier wisited Norway and Belgium, is expected to discuss the purchase of a \$450m Swedish nuclear plant, and Cyprus, where Sweden has a contingent as part of the United Nations peace-keeping force on the island. Sweden, which in September rescheduled Turkish debts to it of \$22.5m, has guaranteed credits for the nuclear deal providing Turkey signs the nuclear non-prolifera-Lion pact.

Belgian leader goes on as caretaker after split poll

BY OUR OWN CORRESPONDENT

BRUSSELS — Mr. Paul Mr. Les Tindemans, the CVP Vanden Boeynants, the Belgian Prime Minister whose midmitted his coalition Government's resignation to King Baudoin after the inconclusive general election on Sunday, but has been asked to continue in his caretaker capacity until a new administration can be

In the wake of the election, which recorded only marginal shifts in support for Belgium's myriad political groupings, it is expected that several months of manoeuering between party leaders could elapse before a new coalition takes office.
The slight advances made by both the Flemish CVP and francophone PSC wings of the conservative Social Bloc could, if anything, accentuate the problem of finding a new Prime Minister acceptable to the six

parties that will probably make up the coalition. Each wing gained one seat in the voting. bringing their combined strength in the 212-seat Lower House to 82.

October resignation over opposition to his plans for defusing the Flemish-Waltoon language war precipitated the election, and Mr. Vanden Boeynants of the PSC, are both expected to use the inner advances made by the Social Christians to back their own rival claims to the premier-

Final results in the complex proportional representation poli-which is also electing Belgium's Senate and members of provincial assemblies are not expected until today. It is already clear, however, that the Socialist par-ties on both sides of the lan-guage divide have lost some ground, with the Socialists in francophone Wallonia seeing their Lower House seats reduced by three to \$1, thanks to gains made by the small Communist

party: The Flemish nationalist Volksunie party saw its strength reduced by six seats to 14.

Kreisky hints he may quit

VIENNA—Dr. Bruno Kreisky the Austrian Chancellor, yesterday hinted that he would quit as head of the government if his Socialist Party lost its absolute majority at general elections of time. planned for next October.

Dr. Kreisky, whose party holds a three aeat parliamentary majority, told a news conference that he could not envisage leading a coalition government if the Socialists were defeated.

"I do not consider myself the right man for a coalition government. I do not want to return to a system in which I started my political career," he said. The Chancellor, who has led

the Socialist leadership had considered bringing the elections forward, but no decision has been taken and there is plenty He said he did not regard the

loss of three Socialist seats in the Vienna city council, or the country's rejection of his government's nuclear energy, policy at a referendum in November, as serious setbacks. The government had won "an heroic battle against the world economic crisis by keeping unemployment lower than any

Unemployment in Austria is less than 2 per cent of the workthe Austrian Government for force, seven years, admitted publicly Reuter

where in Western Europe," he

AS EMS LAUNCH DATE NEARS

Gold set for revival

THE ROLE of gold in the international monetary system looks set to take on a new lease of life when the European mone-tary system (EMS) is launched on January 1.

Territor Deserta.

As part of the scheme to create drawing rights on a central fund of EEC reserves, the Community's central banks from that date will be able to mobilise part of their gold reserves, valued at a marketrelated price in order to settle transactions among themselves. Since the EEC countries own about 40 per cent of the world's monetary gold, and only three of them—France, Italy and the Netherlands—currently value their holdings on the basis of the market rather than the much lower former official price of \$42.22 per ounce, the plan has caused some misgivings among opponents of gold remonetisation in the U.S.

The gold arrangement is partthe scheme for stabilising exchange rates agreed at the EEC sumit earlier this month, and is meant to be one step towards an eventual pooling of EEC reserves.

The central banks will deposit 20 per cent of their gold and foreign exchange reserves with the European Monetary Cooperation Fund (Fecom), Britain is expected to take

part in the reserves-depositing scheme, even though it is not participating from the outset in the exchange rate system linking the other eight members of

the Community.
The deposits with Fecom will initially be on a three-monthly revolving swap basis, a com-promise arrangement which avoids the thorny legal problems which would arise if the banks permanently transferred

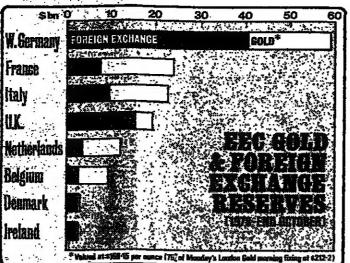
BY ADRIAN DICKS

heavily on the wage increases

negotiated this winter, the

monthly economic report.

Bundesbank writes in its 1977.



will receive an oquivalent amount of European Currency Units (ECUs), which can be drawn on to settle central bank transactions, especially intervention debts.

Gold's role in all this is significant for two reasons. First, the valuation at a market-related price leaves the U.S. which has by far the world's largest gold reserves, and has in fact been auctioning off small amounts of them to help defend the dollar—as the only impor-tant gold owner in the West still valuing its holdings purely on the basis of the old official

Second, the elevation of gold among the Nine to a more active reserve role from the largely passive one it has played in recent years could encourage other countries to look again at gold as a store of value to be held in their reserves.

Pay moderation stressed by Bundesbank

quarter, and 4 per cent higher growth of the monetary aggre-than in the thirt quarter of gates in recent months.

The Bundesbank's men con- money supply, shot up between

Provided these are kept with cern on the domestic front. August and October et an funds from abroad, the Bundes-n reasonable limits however, apart from seeing moderation adjusted annual rate of 18.5 per bank also appears to be serving

In return, the central banks for gold used in the EMS will be worked out before the end of the month. The most likely formula is a discount of 20 per cent to 25 per cent below the market price, to be reset every three months. Based on the \$210 per ounce, this would put a value of roughly \$70bn on the

> The follows discounting method the practice already adopted by Italy, which values its gold at 85 per cent of the London price

Community's 13,200 tonnes of

gold, against aggregate foreign exchange holdings of some

France alone of the EEC members values its holdings at and here the official word from vals, expressed as an average of the London fixings over the previous three months. Netherlands since August has used a basis of F1 7,500 per kilo

Thus M3, the broadly defined

pared with the previous rate of just over FI 4.000—at present exchange rates, this works out as a dollar price of \$114 per

All the other EEC central banks up to now have stuck to because of the fall of the dollar agains; European currencies over the years since the valuation basis was lixed, the present dollar rate has in fact risen well above the \$42.22 level for countries which value their reserves in terms of national currencies: for West Germany, it is now around \$63 per ounce, for Belgium, around

Together with the prospect that Switzerland, the fourth largest gold holder in the West, will revalue its holdings at the end of the year to avoid the National Bank closing with a loss, the EEC action can be viewed as a psychological support for the gold price, which has fluctuated between \$166 and \$245 this year. One view being canvassed on the London mar-ket is that the rate used by the EEC will net as a nominal floor for the traded price of the

Central banks, it is argued, will not want to see a fall in the gold price damaging the undoubtedly true for France, However, Germany, with the largest gold reserves of the Nine, is likely to set the Community tope as far as any defence of the gold price goes-

the actual market rate, which is the Bundesbank is that the valuworked out at six-monthly inter- ation rate is of only minor significance. roughly half the Community's total, Germany is never likely to be hard up for international

In dwelling once more on its

concern at the effects on the

domestic money supply picture

of a continuing large inflow of

President Chiang said the normalisation plan was a grave setback to Taiwan's 17m people. But the Nationalist leader, who was educated in the Soviet Union for 15 years, told the party faithful that this would never prompt him to make a deal with the Kremlin, informed

After a weekend of angry demonstrations that left two U.S. servicemen slightly injured dozens of windows smashed and several cars damaged, Taiwan went back to work yesterday. But the U.S. Embassy, where cent, while the central bank warning that further touches on marines had used tear gas to money stock, the indicator the brakes will not be slow in clear out demonstrators, was

Taiwan 'no' to talks with China

Chiang Ching-Kuo yesterday made a stinging attack on the U.S. and angrily refused to negotiate with the Chinese Communists after Peking and Washington normalise relations on January 1.

The President, speaking at a meeting of the ruling Muomintaing (Nationalist) party, said the U.S. had "ushered a wolf into its living room. This is certainly an unwise, horrible

Speaking with bitterness about the U.S. decision to cut military and diplomatic ties with Taiwan, he added: "America has never severed its relations with a friendly country. Now it has done that to the Republic of China (Taiwan). Shame on the U.S."

Premier Y. S. Sun told the meeting that Taiwan, which with 500,000 troops has one of Asia's largest armies, has decided to increase military expenditure "so that we can establish a selfsustaining defence industry." A defence budget boost would help the Armed Forces to modernise their equipment, buy new armoury and "strengthen our capability to make major

weapons," he said. U.S. Secretary of State Cyrus Vance said on Sunday the U.S. would continue to sell defensive weapons to Taiwan. But a Nationalist Foreign Ministry spokesman noted vesterday that Chinese leader Hua Kun-Feng had strongly objected to this.

Taiwan, in conjunction with the American company North-rop, manufactures F-5E jet fighters and helicopters here The Nationalists also make their own shells and they unveiled a Taiwanese surface to surface missile at recent National Day celebrations.

BONN—The continuation of the third quarter of this year, last week to cut the banks' reproduct the upward swing of the West it reports that real gross discount quotas by DM 5bn, have increased this year by 11.5 makes no secret of the authoristic per cent from the per cent set last January.

After a week to cut the banks' regrowth targets, is expected to discount quotas by DM 5bn, have increased this year by 11.5 makes no secret of the authoristic per cent compared to a maximum 8 per cent set last January.

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Japan balance of payments in deficit for second month

outflow of long-term capital in the form of yen bonds by foreign governments and loans in November put Japan's overall deficit for the second consecu-tive month, the Finance Ministry said yesterday in a preliminary report.

A decline in Government-

inspired emergency imports, will serve to lessen the trade however, boosted the trade surpluses through the next few

The overall balance of payments which includes capital accounts, was in deficit by \$270m (\$83m on an adjusted basis), less than the October deficit of \$971m (an adjusted deficit of \$1.2bn).

It was a sharp reversal from year ago when a surplus of about \$1.8bn was registered. The long-term capital account contributed heavily to this deficit, showing a record out-

\$425m to the import total last per cent. month, compared with more than \$1bn in October. Officials November put Japan's overall at the Finance Ministry admit balance of payments into that the target of about \$4bn in such imports will be un-reachable during the present fiscal year ending March 31, but note that higher imports of manufactured goods generally will serve to lessen the trade

> The trade surplus in Novem ber rose to \$1.430bn from \$1.037bn in October, but was down from a surplus of \$1.615bn in November 1977. (On an adjusted hasis the surplus ex-

Exports during the month were up 19 per cent from a bonds in Tokyo, while the year ago to \$8.150bn (down Government itself made a year ago to \$8.150bn (down 8 per cent on a yen basis) while the previous monthly record set in October of \$1.589bn.

Japan's attempte imports gained 27 per cent to Japan's attempts to step up \$7.3bn set in October. Adjusted securities.

TOKYO -- Another record- imports through special Govern- exports rose 4.5 per cent from October while imports fell 5.8

As a result the current account for November remained well below the monthly average so far this year of over \$1bn. due to the emergency imports and a comparatively high deficit in the invisibles account. It stood at a surplus of \$650m compared with a current account surplus of \$364m in October.

trying to smooth out the ima result of heavy trade surpluses by encouraging an outform of loans and investments. In November, foreign governments raised Y65bn in yen Y74.5bn contribution to the International Development Association (IDA). dents have also continued to be was below the all-time high of net sellers of Japanese

Bhutto in court plea for justice

RAWALPINDI—Mr. Zulfikar Ali Bhutto, Pakistan's con- conditions he had suffered both demned former Prime Minister, in the Lahore Court and in the emerged from his death cell in Lahore and Rawalpindi jeils, the district jail here yesterday "Believe me." he said at o to make a dramatic appearance before the Supreme Court hearing his appeal against execution. It was the first time Mr. in his own Sindhi language. hutto had been seen in public While Mr. Bhutto spoke, strict Bhutto had been seen in public since March, when the Lahore High Court sentenced him to force outside. Hundreds of hang for ordering the murder armed of a political opponent. looked drawn and had lost

weight, hut he was able to speak

for 90 minutes, largely without

notes, and made telling political

points. Mr. Bhutto challenged his All fell into a hush when Mr. accusers, alleging that the case Bhutto appeared. The atmoswas fabricates. "I don't have to prove my innocence," he declared. "They have to prove

doubt want pity. I don't want mercy. I want justice." He submitted that there had been a gross injustice, which put the Dreyfus few left to scandalise." case into the shade, but added that he had full confidence in

the Supreme Court.

"Believe me," he said at one

point, shaking with emotion, "I have been shabbily treated." and he invoked help from above security precautions were in police around the town, and the road adjacent to the court was sealed off. Officials, diplomats, former ministers and Bhutto supporters crammed themselves into the

bot, stuffy courtroom

phere was electric as he began to speak. Mr. Bhutto said be felt a little dizzy, but he added my guilt beyond reasonable that it was nice to see people again. He thanked the court He insisted he was not plead for the opportunity to speak and ing for his life, saying: "I don't promised not to waste its time. had no intention of scandalising the country's lastitutions as there were "precious

Mr. Bhutto appeared anxious to avoid bringing in the name of number General Zia-ul Haq, the man Reuter

He complained bitterly at the who led the military coup which deposed him in July last year. But he enquired whether he could speak about Pakistan generally because there was a barren void" in the country

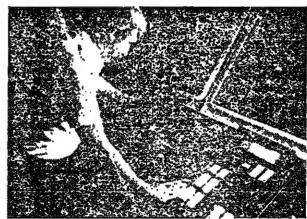
When he concluded he asked the seven judges how much time they would give him to claborate. the Chief Justice, said he could something to say relevant to his defence. Mr. Bhutto will there fore re-appear in the court this

Detainees released

JAKARTA—Indonesia yesterreleased 1,320 more political prisoners who had been beld without trial for over 10 years. They were arrested for alleged involvement in the 1955 Communist-backed coup attempt. Another 1,300 detainees are due to be released on December 29, bringing to 10,005 the total number set free this year.



Safety at sea is no accident.



This is what the captain sees from the bridge of an 1100-foot supertanker at sea.

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to 20 other ships simultaneously on an extrabright, easily-read radar screen. The computer monitors the course and speed of each ship and automatically sounds an alarm if any are on a collision course. In addition, RAYCAS permits the captain to test possible manoeuvres electronically and see the effect on the radar screen before ordering a new course and speed.

Now being introduced to the world maritime market. RAYCAS is the latest addition. to Raytheon's line of radars, depth sounders, radiotelephones, and navigation aids—all designed to increase safety at sea.

Marine products are part of our electronics business, one of five basic business areas at Raytheon. The others are major appliances, energy services, educational publishing, and heavy construction equipment. In total, a large and growing company with an impressive record of performance. For the first nine months of 1978, sales were up 15%, earnings up 36%—both reaching record levels for the period. For copies of our latest financial reports, contact any of the offices or companies listed below, or write: Raytheon Europe, 52, Route des Acacias, 1227 Geneva, Switzerland, or worldwide headquarters, Raytheon Company, 141 Spring Street, Lexington, Mass., U.S.A. 02173.

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BY DAVID LENNON

TEL AVIV—Israel has no plans sion to recall the Israel military popularity had dropped almost occupied West Bank has led to for breaking the deadlock in the delegation from Washington 20 per cent in the past two the detention of an undisclosed peace negotiations with Egypt where it had negotiated with months to its lowest level since which have now reached an the Egyptians over Israel's with he assumed office. Less than impasse, a Foreign Ministry drawal from Sinai.

he no resumption of the peace talks until Egypt withdraws its

Mr. Moshe Dayan, Foreign Minister, told his staff yesterday morning that the peace talks could only be renewed on the clear understanding that the proposals which Mr. Cyrus Vance, the U.S. Secretary of State brought with him from Cairo last week were unacceptable.

This hardline position was emphasised by Sunday's deci-

An official close to Mr. no negotiations in Washington Menahem Begin, the Prime during the past month, bring-Minister, said that there would be no resumption of the said that the sai further effort at this stage to resolve the differences with Egypt over the terms of a peace

> Mr. Begin will report to the Knesset today on the decision to reject the Egyptian demands and will seek the backing of the House for the Government's

> He appeared to have wide-spread support in Parliament though a public opinion poll today reported that Mr. Begin's

half of the population is now satisfied with his performance as Prime Minister, according to

The Jerusalem Post yester-day accused Mr. Begin of being "disingenous" in claiming that Israel was prepared to sign the package of peace agreements

worked out a month ago.

The paper noted that "a month ago the focal issue of controversy was the accompanying letter which was to spell out the target date for holding elections for the Palestinian autonomy." It reminded its readers that "the Israeli Government had in effect rejected

Meanwhile, unrest on the

pledge on oil output ceiling the detention of an undisclosed number of Palestinian students by the military Government in

Saudi

the past few days. ABU DHABI - Saudi Arabia's determination to stick They are apparently accused of leading street protests against to its annual production celling ecent land seitures by the of 8.5m barrels a day is seen Israeli authorities. Demonstrahere as ensuring that OPEC tions in Hebron and Halhul maintains the series of price during the past few days were only dispersed after the army fired tear gas at the stone-throwincreases amounting to 14.5 per cent which it is to implement in stages next year. ing youths.

Sheikh Ahmed Zaki Yamani, Attempts by West Bank the Saudi Oil Minister, said that Saudi Arabia would not lift its residents to prevent legally the Israeli seizure of their land production limits to cope with suffered a major setback yester-day when the Israeli High the additional demands caused by the cutback in Iranian oil out-put due to strikes. Only if the cutback continues for a long Court rejected an application by 41 farms from Anata, a village north of Jerusalem, to stop the military Government expro-priating over 400 acres of their time and worsened—which he did not expect—would a temporary lifting of the ceiling even be considered.

even be considered.

Though Saudi production is currently running at well over 8.5m barrels a day—Sheikh Yamani said that on one day earlier this month, output had reached 12.85m barrels—Saudi output would keep within the production ceiling on an annual basis because of the low output basis because of the low output

carlier in the year.

Confirming that Saudi Arabia would continue to play the role of the swing producer, raising or lowering its production to enable OPEC to function as a cartel. Sheikh Yamani also said that Saudi Arabia would absorb the art in demand that absorb the cut in demand that would occur if there were a surplus next year. "If there is a surplus the Saudis will bear

the burden alone," he said.

The 13 OPEC countries are to raise prices by 5 per cent on January 1, by 3.8 per cent on April 1, by 2.29 per cent on on April 1. by 2.29 per cent of July 1 and 2.69 per cent on October 1, taking the price of the benchmark Arabian light crude from \$12.70 to \$14.54 by the fourth quarter of 1979. The average price for the year is \$13.97. making an average increase of 10 per cent. The size of the in-crease is made possible by the additional tightness of the oil market due to the Iran cutback.

market due to the tran contact.

The other major outcome of the two-day meeting here was the decision to widen the spread between the prices of light crude and the less saleable heavier varieties. Saudi Arabia had earlier indicated its intention of doing this to encourage sales of its heavier encourage sales of its heavier crudes and to adjust its output of light and heavier crudes to reflect the composition of its

Saudi Arabia is to increase the price of its light Berri crude while also reducing the price of its heavier crudes — Arabian Medium and Arabian heavy before applying the quarterly percentage increases. Dr. Mana Oteina, the United Arab Emirates Oil Minister, said Abu Dhabi was increasing the premium on its light crudes by between 5 and 15 cents.

Conference sources said that

the Culf heavy crude producers would meet informally in the next few weeks, so that Iran and Kuwait can bring their price differentials into line with those being set by Saudi Arabia and Abu Dhabi.

OPEC blow to Wall Street

reacted with swift and deep pessimism today to OPEC's decision to raise oil prices by 14.5 per cent.
The New York stock

exchange slumped more than ten points within half an hour of opening, pushing the Dow Jones index below the 800 level and wiping out most of the market's gains since President

of Iran has acted to prevent failures of banks, big or small. Earlier this year when Shi's Moslems started withdrawals from Bank Saderat because they of dearer oil on inflation. to add about three cents a gallon to the price of petrol, an increase of about 5 per cent. did not like its main shareholder | But the impact will, of course

According to Mr. James chlesinger. Sccretary for To ease the crisis, the Central Schlesinger. Schlesinger. Schlesinger. Bank released an extra 120bn Energy, this will push next year's inflation rate up by about year's inflation rate up by about No. 0.5 per cent. Both he and Mr. Alfred Kahn, the Administration's chief inflation-fighter. expressed surprise and dismay at the size of the increase, and

inflation rate which Iran is de- its action. price of oil is expected to add to industry's difficulty in meeting Mr. Carter's wage and

the domestic market.
U.S. oilmen are currently trying to persuade Mr. Carter to relax internal price controls on oil and oil products when energy legislation gives bim the option to do this next May.

weather the crisis. If oil pro-December 10 and 11. After the profitable and fast-growing have found themselves facing duction remains disrupted for Moslem holiday on Friday the banking system consider bank attacks from two sides. The mob long even the 70 banks which ment of Information. The takeover, by Mr. David Abramson and Mr. Stuart Pegg, surviving hanks opened up failures or bankruptcies may has burnt them because they only have representative again and some of the shops occur. But measures which they represent the Shah and the offices in Tehran—arranging have representative have been forced to adopt army, while their depositors, it loans and looking for develop-It could even be that the recently have shored them up is thought have sought to with ment business—may also re-

Carter's China critics to cite Senate resolution

BY JUREK MARTIN

malisation of Sino-American relations are likely to argue that President Jimmy Carter ignored a specific Senate resolution requiring prior consultation with Congress before altering. U.S. policy towards Taiwan. They also may seek to assert

the Senate's powers over the President's right to terminate treaties to complement the existing authority of ratifying new international agreements. This extension of Congres-sional powers apparently has never been tested. Earlier this year a leading critic of recognition of Peking circulated a motion to this effect but received minimal support from his colleagues.

However the Senate did pass, with no opposition, a resolution put forward by Senator Clifford Case, the New Jersey Republi-can who will not be returning next year, requiring the Presi-dent to consult Congress before altering the status of U.S. ties with Taiwan.

last Friday. The main reason advanced was the need to keep the talks secret. Capitol Hill is a notorious place for leaks, it is

notorious place for leaks, it is generally agreed.

Nonetheless some Senate feathers may be ruffled by the President's by-passing of the legislative branch. Over the last few years, Congress in a number of ways has inserted itself into the foreign policy arena after the excesses of the executive in South East Asia and elsewhere.

The Administration contends The Administration, contends that Congress will get its say in normalisation process, initially when the Senate votes to confirm the appointment of whoever becomes the U.S.

ambassador in Peking (probably Mr. Leonard Woodcock, current head of the mission there). Moreover, conscious of Congressional sensibilities, the Administration is also making ent to consult Congress before the point that although it is on the vitering the status of U.S. ties abrogating the 1954 Mutual debate with Taiwan.

White House aides freely something like 60 other treaty fought.

WASHINGTON — Congress admit that Congress was told of arrangements with Talwan will sional opponents of the nor the normalisation negotiations be kept intact; mostly on just before they were announced economic, trade and cultural matters.

Congress will also become involved when the Atiministration seeks to obtain most favoured nation trading status for China. Absence of this hampers the official Government financing guarantees that can be offered to support the anticipated surge in Sino-American

It is hard at this stage to gauge the mood of Congress, which is in recess, on the normalisation of relations with Peking. The Administration fifmly believes that it can beat heat the insufficial anglaught with back the inevitable onslaught of the old "Free China lobby" (led by men like Senator Golfs-water), but, with 20 new senators taking office next mouth, there is a greator than usual element of uncertainty in such political calculations. Much will depend therefore,

on the way in which the whole debate is couched and on the issues on which key battles are

Uproar delays Gandhi vote

NEW DELHI-Pandemonium broke out in India's Lower House of Parliament vesterday as MPs debated whether or not Mrs. Indira Gandhi, the former Prime Minister, should be punished for breach of parliamentary privilege.

In the streets, police used tear gas to disperse supporters of Mrs. Gandhi who were demonstrating near the residence of Mr. Moranji Desai, the Prime Minister, and arrested more than 500 members of Mrs. Gandhi's wing of the Congress

Six policemen were injured by stones hurled by the demonstrators in New Delhi and police arrested more than 100 members of Mrs. Gandhi's party in Calcutta who were protesting against what they called the "fascist methods" of the Janata

Government. In the Lok Sabha (Lower House), opposition and Janata members hurled abuse at each other as the four-hour debate became bogged down in pro-

redural wrangles.
Mr. Desai and Mr. C. M Stephen, the opposition leader, agreed to extend the debate for another two hours today before a vote is taken, under which Mrs. Gandhi can be imprisoned expelled from Parliament or suspended for the remaining two weeks of the current

K. K. Sharma adds: Pressure on Mr. Desai is growing from within the Janata Party as well as from the opposition. Mrs. Gandhi's Congress (I) Party is ment and will make its decision

to gain time while it waits for

BANKING IN IRAN

banks now stand gount and

empty in the streets of Tehran.

As the victims of the erson and violence which has swept

through the main cities over the

past couple of months, they are vivid reminders that the jubilant

advertising jargon once used.

often by the banks themselves.

to describe Iran's potential, is

Yet the overall picture re-

mains depressing. The strike in the oilfields has been losing the

country \$60m a day in income. The new budget is likely to cut \$1bn from the development

budget. At the same time Ayatollah Khomeini, the chief

focus for opposition to the

Shah, increasingly has been emphasising the role of the strikers in the oilfields in his

It is a significant indication of Khomeini's influence that his

Paris for a second strike in the

oilfields was answered imme-

diately by the oilworkers. Last

Saturday he said: "It is a reli-

gious duty for strikers to con-

tinue with their strikes and not

of the country." He sanctioned payment to strikers from re-

Such dismal prognostications

are sometimes belied by inter-

tranquil compared with the

large-scale demonstrations of

again and some of the shops

were once again in business.

mittant returns to normality, they had transferred \$2.4bn

Last weekend was relatively abroad in September and

military Government of General for a few months.

October alone.

ligious funds.

battle against the Shah.

unlikely to come true.

and steel mesh.

THE BURNT-OUT shells of 400 Goholam Reza Azhari, the

'War only solution,' says Kaunda

BY MICHAEL HOLMAN

LUSAKA-President Kenneth search for a solution as neces- forces of the world." on Zambia's disengagement from the Anglo-American proposals for Rhodesia with the declaration that not only was Mr. Ian Smith's removal a precondition to any settlement founded on a clear rejection efforts, but also that the only and removal of Smith has any solution was war.

Speaking at the opening of the first session of the fourth national assembly today, President Kaunda noted that Zambia had initially supported the Anglo-Amercain initiative. However, he continued, "nothing has happened in the 15 months since the initiative began to motivated, or has any chance at

initiative, he said, 'accepts the active participation of Ian Smith himself in the

Kaunda yesterday set the seal sary. It also presumes Smith's integral part of the solution. I want to state categorically that crisis was "far from over." This no attempt to solve the Rhodesian crisis which is not

> chance of succeeding." The crisis would only be resolved by war, he declared, and warned that the deterioration in southern Africa "has now reached the point at which it is imperative for Zambia to arm to defend herself."

(SWAPO), President pledged that his government

Dealing with the economy. President Kaunda acknowledged that the country's economic was mainly owing to continuing transport problems which had led to a worseving of external indebtedness

Mining sources said last week that 30,000 tonnes of copper were held up, while bankers put the country's arrears in pay-ments for imports and remittances of profits and dividends at Kwacha 550m (£355m).

The President also announced has happened in the 15 months Reaffirming Zambia's support the reorganisation of the Zambia since the initiative began to of the Rhodesian guerrilla lodustrial and Mining Corcurince Zambia that either this alliance, the Patriotic Front, poration Limited (Zimco), the initiative is serious or correctly and the South West Africa 100 per cent state-owned hold-motivated or has any character. ing company which directly or indirectly controls over 90 businesses. The measures were 'will fight alongside the main- designed to improve Zimco's

Rhodesia counts oil attack costs

BY TONY HAWKINS

SALISBURY—Now that Rhode- already had two salutary effects, which, they say, is bound to sian and South African firemen, 50 far as the transitional have an adverse impact on have finally put out the six-day oil fire caused by nationalist guerrillas, businessmen here are starting to count the economic cost of the blaze. There is little doubt that the destruction of the 28 fuel tanks at the Salisbury oil storage depot is easily the most severe single blow that the guerrillas bave struck against the Rhodesian economy in the six-year-old war.

Because oil consumption and sible to estimate the exact cost had all 28 tanks been filled, oil price-increase announced at no confidence in the Govern- published since 1965, it is imposin the light of the outcome of to the Rhodesian economy of the the present debate.

It to the Rhodesian economy of the guerrilla attack. However, an the maximum oil loss would It has been estimated the maximum oil loss would be the state of the maximum oil loss would be the state of the maximum oil loss would be the state of the maximum oil loss would be the state of the maximum oil loss would be the state of the stat Mrs. Gandhi's party is trying oil industry informant yesterday estimated the loss at about four the second development that days consumption. Rhodesia is endangers the stability of the understood to maintain oil endangers the stability of the understood to maintain oil as the tanks were not full and done using domestic materials. Government and the unity of stocks of between three and most of the oil was not lost. and domestic contractors—who the Janata Party. That is the four weeks, so that the attack, However, no-one here is will- are heavily under-employed at threat by the former Home while obviously serious is far ing to minimise the foreign present anyway—thus giving Minister, Mr. Charan Singh, to from being the knockout blow exchange cost of the fire. the construction and steel and form his own party and to split some have suggested.

Officials here put the cost of engineering industries a much-

The successful attack has lost oil at upwards of £10m needed boost.

Those which have survived un-damaged in the Iranian capital dismiss them and to stop the required. Customers are allowed huddle behind wooden screens pay of employees operating a to withdraw only a quota and back to work by threatening to the

strikes against the Shah has

been among the approximately

400 graduate professionals in

the Central Bank's statistics department. Like the oil field

engineers, they are in a good

position to do something about their hard line against the Shah

One of the most debilitating frozen.

not getting through from the the rial.

Central Bank or could not be

on letters of credit were work-

Observers of Iran's highly

Central Bank strikers alleged fund.

to allow the oil to be taken out ing properly. Transfers abroad, former major shareholders of

Caught in the political crossfire

BY SIMON HENDERSON IN TEHRAN

Prime Minister, had succeeded clearing of cheques, which now

in scaring some of the strikers take at least 10 days instead of

policy.

because they are middle-class able after being hit badly in

This and other actions has abroad when the Government

Iran's highly-profitable banking sector has been

hit hard by political upheavals. Many banks have

been physically gutted, business has been

disrupted, profits are down and there are fears

that bankruptcies and failures could follow.

meant that the banking system had put limits on domestic

has been almost shut down for borrowing. They suffered when several weeks. New notes were the dollar fell and took with it

obtained from local branches. to remain the same when the imports were disrupted because political crisis ends. Of the big

only a fraction of staff in the three, with 65 per cent of Central Bank who collected the deposits, Bank Melli is Govern-

official 1 per cent of the value ment-owned and serves as the

were also upset by new regula- Bank Saderat, a private concern,

tions designed to ensure rich is in jail awaiting trial for Iranians did not transfer corruption; and Bank Sepah is

fortunes to other countries, owned by the Army Pension

Government is concerned. It foreign currency allocations in has eliminated the sense of com- the second quarter of 1979.

Secondly, it has led to a apparently put paid to hopes marked tightening up in urban that this allocation improvescurity. This follows the pattern of the Woolworths bomb second quarter and it now attack in August, 1977 which also brought about a security show a sm il overtall increase, clamp-down. will have to be reduced, especi-It has been calculated that ally in the light of the OPEC

have been 21m gallons. however, is understood to be far in excess of the actual loss.

some accounts were temporarily

has come when Iran's external

debt position remains low, at

\$10bn, because for two years the Central Bank has been

enforcing a tight monetary

But several banks are vulner-

recent years by borrowing from

The banking world is unlikely

Government's own bank; the

Along with some medium

banks such as Bank Omran,

owned by the Shah's trust fund,

the Pahlavi Foundation, they

More optimistically, the crisis

placency which had become so apparent in urban areas. tions, announced last were apparent in urban areas. tions, announced last were fully apparent in urban areas. But improve ment in the final quarter of 1978. But the fire has

seems possible that allocations It has been estimated that it

This, will take at least eight mouths to rebuild the oil storage depot. Apparently much of this can be

In the past the Central Bank

out of a political solution.

more than a month ago, and has

been printing a mass of new

notes to replace those burnt or

The inflationary impact of

such a policy is accepted but as one economist put it, "The

balance will be much greater than the mere printing of extra

notes, one analyst with a good

which this year has run at about

All told it is a very different

14 per cent, will be over 20 per

picture from five years ago. Bank profits have fallen from

60-70 per cent then, to 20 per

cent earlier this year. Even then

there were worries about too

high a proportion of assets be-

ing stuck in the already de-

pressed land and property

Foreign banks which have

formed partnerships in Iran

with stakes of up to 35 per cent

are also worried about how to

cent next year.

market.

draw much greater sums than consider their position.

These include delays in the usual to provide extra personal

liquidity.

NEW YORK - Wall Street

Carter announced his dollar rescue package last month.

as investors assessed the effect OPEC's decision is expected

—a member of the Bahai sect—be more broadly felt because the Central Bank moved in its of industry's increased proown funds pending the working duction costs.

appeal to OPEC to reconsider

veloping from the strike-appeasing wage increase, local shortages and upset in the trade But though a rise in the price guidelines, it is likely to be greeted with satisfaction by prediction track record has the U.S. oil industry, which is forecast that the inflation rate, pressing for higher returns on

Effects of OPEC Page 14

Takeover investigated JOHANNESBURG-The South African Reserve Bank has announced that it is investigating the takeover of the printing and publishing group, Hortors, by South African businessmen backed by the formur Depart-

was financed with foreign loans guaranteed by the former department, according to statements by Mr. Pegg.

Union refused injunction over Carter pay policy

NEW YORK - A West Stability must hold a hearing of paperworkers' union attracted nationwide publicity by challenging the legality of President Carter's wage and price guidelines in the courts, has suffered a rebuff, but could still get the pay rise it

for a preliminary injunction barring the Government from enforcing the guidelines, on the grounds that the union had so far failed to exhaust administrative remedies for its grievance. The union, the Association of Western Pulp and Paper Workers, had argued that Mr. voluntary controls

reaching implications of this argument. He ruled that if the

union it immediately. The union's action arises ou of a five-month long pay dispute between its 14,000 members and a number of West Coast employers. The union, which wants a pay rise of about 10.5

wants.

The judge in the federal two years, settled with some court in Portland, Oregon, employers before the wage denied a request by the union guidelines were brought out on October 1. They now argue that be allowed to settle on similar terms, even though these would breach the guidelines. Deprived of the temporary

injunction they wanted, the union's best course now is to seek exemption from the guidelines on two possible grounds. One is the "tandem relationwere really mandatory ones One is the "tandem relation-which he had no authority to ship," argument which says that impose. But the judge did not workers may get pre-guideline consider the potentially far- pay rises if co-workers got these terms earlier. The other is that gross inequity exists between union had a grievance, the workers who settled earlier and Council on Wage and Price those who did not

Shell leads group in Canada oil sands plant

construction of Canada's third oil sands plant, including a new town, have been announced by a consortium of nine oil companies headed by Shell Canada Resources Limited.
Mr. D. W. Menzel, senior vice-president of Shell Canada Re-

sources, and Mr. J. E. Czaja, first president of mining development, said an application to build the \$C4.9bn (£2.2bn) plant, with a capacity of 140,000 barrels a day of synthetic oil, have been sent to Alberta's Energy Board.

They told reporters the board s expected to conduct hearings into the proposal early in 1979. probably during the second quarter. If the board approves the oil sands project, a general contractor would be chosen in late 1979 and site preparation would start.

The plant would employ 2,800 people. Construction would be the thir start in 1981, with a target date the region.

CALGARY - Plans for the for completion of late 1985 or Shell Canada Resources has

a 25 per cent interest in the project. Shell Explorer Limited has 20 per cent, Amoro Canada Petroleum Company Limited 10 per cent, and Pacific Petroleum. Limited (recently acquired by Petrol Canada, the federal oil company) 9 per cent. Chevron Standard Limited,

Gulf Canada Limited, Hudson's Bay Oil and Gas Company Limited and Petrofina Canada Limited each have 8 per cent while Done Petroleum Limited has 4 per cent.

Mr. Menzel said total Cana

dian involvement in the venture would be about 27 per cent, which he described as " a conwhich he described as a con-siderable amount in such a large project." Alsands would be on a 42,000 acre site 64 kilometres north-east of Fort McMurray, Alberta, and would be the third oil sands plant in

Britain meets Argentina on future of Falkland Islands

GENEVA - Britain

cluding agreement on forms of 1771, economic co-operation between AP

and Argentina and the Falklands, a Argentina resumed talks yester-day over the future of the territory of 4,818 square muss, Falkland Islands, the British with a population of just over colony 300 miles east of the 2,000, The last round of talks tip of the Latin took place in New York in eptember. A British spokesman said that

American continent.

The talks will last three days, the first two at "expert level," and the third at ministerial level between Mr. Ted Rowlands, a British Foraign Office Minister, and Capt D. Gualter Oscar Allara, his Argentinian counterpart.

The talks are the fifth meeting in 18 months simed at con-The talks are the fifth meet-ing in 18 months aimed at con-becoming a British colony in

PSA brings \$99m suit against Lockheed

SAN DIEGO—PSA, the parent After the groundings, PSA company of Pacific Southwest said it tried unsuccessfully to Airlines, has sued Lockheed persuade Lockheed to return here for \$99m for alleged violations of federal anti-trust laws.
The suit accuses Lockheed of preventing the airline from that Lockheed blocked attempt to sell the aircraft to at least five other airlines.

In Burbank, California, Lockheel had no immediate comment PSA said it grounded the aircraft soon after delivery because of "mechanical prob-

Corporation in a federal court prepayments and credits exceeding \$22m. PSA had signed agreements to buy three more.

preventing the airline from The suit alleged that Lock-selling two L-1011 TriStar jets heed thwarted PSA's attempts delivered in 1974. SA asserted to sell the aircraft and cited. major costs of modification. Reuter

> Pitney-Bowes blds for Dietaphone; Scepticism follows Kennereti statement: Had-son's Bay wins battle for Simpsons—Page 31

U.S. COMPANY NEWS

Jonestown funds left to Soviet Union

IN A curious new twist to the Jonestown tragedy. Guyanese officials have revealed that letters bequesthing more than U.S.47m in People's Temple funds to the Soviet Government, were smuggled out of the commune hours before last month's writes from Washington. The letters, addressed to the Soviet Consul General in

Georgetown, requested distribution of the maney for oppressed peoples all over the world. They were released during the official Guyanese in quest into the deaths of more than 900 members of the cult The instructions listed the cult's beak-accounts in Vene-zuels and at branches of Swiss banks in Panams. It appears that Soviet officials never received the letters, and Guyanese officials could not say who would finally receive the

Warner wins seaf MR JOHN Warner, hasband of Elizabeth Tuylor, the actress, has been confirmed as the new Republican Senator for Virginia, He beat Mr. Andrew Miller, the Democrat, by only 4.721 votes out of more than 1.2m cast in the election last

month Jurek Martin writes from Washington.
Virginia law stipulates that when the margin of victory is less then 1 per cent the loser may demand a recount, but has to pay for it if the result is unchanged. Miller conesded after discovering that the cost could be \$70,000. Since the seat was formerly field by a Republican, Mr. Willam Scott, the composition of the Senate is unchanged. unchanged

Chile 'at fault'

IN A NOTE to the Brazilian Government. Argentina has blamed Chile for the failure of talks in Eucnos Aires to agree on terms of mediation by the Holy See in the Beagle Canal dispute. AP reports from Brasilia Chile had diverged from already agreed positions, the note said. Reuter adds: A Chilean sirliner going to Brazil was forced

to return to Santiago yesterday because it did not have the appropriate documents to overfly. Argentician tetritory a Ladaco Airline official said

Support for SALT SEVENTY five per cent of U.S. citizens back a new SALT treaty between the United States and the Soviet Union that would place himits on nuclear weapons, an Associated Press
NBC News poll shows. The level of support is five points above that found by the news poll in October and the highest in the past two years. AP reports from New York.

Railway rows may end in strike action

WASHINGTON The prospect of a nationwide rail strike is emerging on two labour from within the U.S. railway industry.

Developments on one front the long standing juffsdictional

and job-security dispute botween the Brotherhood of Railway and Airline Clerks and the Narfolk and Western railway could lead to a strike in about a month. But there is an even greater possibility of a major strike over a continuing contract dispute between the Railway

clerks union and many of the nation's major rail companies. It is understood that the National Mediation Board will set a 90-day ultimatum in motion this week, by inaking a "arbitration offer" in the contract dispute between the rallway companies and the cietka union AP-DJ

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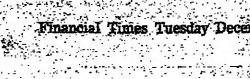
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Agreement on subsidies aids Geneva trade talks

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TOKYO ROUND negotiators in Geneva have cleared another major hurdle by reaching broad major initial by reaching historical agreement on a new international subsidies code, one of the key outstanding issues of the international trade talks. The European Commission

The European Commission now feels able to recommend the Nine EEC governments to endorse the subsidies agreement, and the U.S. also seems to be happy with the outcome. Washington had made the issue one of its highest priorities of the entire five-year-long negotia-

the entire five-year-long negotiations.

But despite important progress on this and other sectors
of the talks, two senious
difficulties are threatening to
prevent the three main participants—the U.S., the EEC and
Japan—achieving their aim of
reaching outline agreement on
a final package deal before
Christmas. The difficulties are
over new rules for safeguards over new rules for safeguards against cheap imports and the extent of new industrial tariff

deal is politically significant. It should help the U.S. Administration in its bid to persuade Congress to extend trade legislation in the New Year and thus prevent the collection of new countervailing duties on the countervailing duties on the countervailing duties on the counterval in the content walls for the counterval in the counter walls for the counter wall for the counter walls for the counter walls for the counter wall for the counter walls for the counter wall for the counter walls for the counter wall for the

In the deal on subsidies, the material injury.

Another problem has arisen Community has agreed to exercise restraint in seeking new markets for its farm exports

The Community has made it clear that it cannot sign the final deal unless the waiver exempting the Administration from imposing such duties in waiting duties would only be imposed if it were proved that it cannot sign the final deal unless the waiver exempting the Administration from imposing such duties in prolonged.

on the definition of

over amendments to anti-dumping regulations in the light of the subsidies agreewithout completely fossilising present trading patterns. The U.S. has dropped its earlier want anti-dumping procedures insistence that a special list of to be less tough than action questionable subsidy practices be annexed to the text of the subsidies—given its argument that dumping is argument that dumping is a significant to be less tough than action argument that dumping is a significant while dumping is a significant to the subsidies agree. illegitimate while subsidies are Instead, a shortened version not necessarily reprehensible. of the list originally proposed Japan, however, is resisting any by Washington has been into the main body of measures.

Brazil shipyard earnings rise

RIO DE JANEIRO—Exports of 15,000 tonne amilit-purpose two major foreign concerns: 17 bulk carriers, multi-purpose vessel in 1972, under licence vessels and fishing vessels

to sell abroad, despite the world crisis. Not only do they participate in all foreign shipping trade fairs, but they have also, with Government sponsorship, organised their own trade fair in Rio de Janeiro. The first Riomar was held in 1977. The second will be held next year and, already 50 per cent of the stands have been sold.

This year's exporters are all Brazilian owned: the Ebin/So, Emag. Caneco and Mauz yards. with Maus the star performer. bringing in \$79.9m from exports of four 26,500 dwt bulk carriers and three 15,000 dwt multi-

Mana began production of its

£10m joint venture in

Hong Kong
EUROASIA DOCKYARD, a new
joint venture between the Hong
Kong shipping group C. Y. Tung

THE ITALIAN Adriatica di Express in mid-March. The ships
Navigazione shipping line were built in Japan, but further
announced yesterday the intronew vessels may be built in
duction of a new class of container vessel on routes from Each ship has a container and Chung Wah Shipbuilding, will build a HK\$100m (£10m) shipbuilding and repair facility in Hong Kong, secording to the Hong Kong Trade Development

The complex will be designed to accommodate repair and construction of conventional and specialised vessels used for marine oil exploration. has now absorbed), a boiler making and finishing plant, and a gangway/davit/crane and hardware unit, which supplies

other shipyards in Brazil and Latin America.
Brazil's shipparts operate under the ambitions national second shipbuilding programme devised in 1974, toyolving investments of \$3.30m and production of 5.3m tonnes by 1982.

northern Europe

Mediterranean.

Ishikwajima and Rhine-Scheldfrom Austin and Pickerseill. Verolme. In the Rio de Janeiro With Sener of Spain, it area these Japanese and Dutch brought revenue of \$154m fo
Brazilian shipyards this year.
In 1977 vessel exports reached only \$40m.

The stronger 1978 performance reflects an all-out drive by Brazilian shippulders and all-out drive by Brazilian shippulders and finishing plant Petrobras bulk carriers serve

a dual purpose-outward bound. commodities for foreign clients of the mining conglomerate, Companhia Vale do Rio Doce, or other concerns, and bring Verolme's Brazilian shipyards

made no exports this year, while Ishikawajima of Brazil exported The programme requires a floating dock, but no vessels. The programme requires a floating dock, but no vessels first 70 per cent, then 85 per shipbuilders now hope the cent national content (materials, parts and components)—ratios shipbuilders are finding it hard to achieve in this short space of time.

The programme requires a floating and Brazil exported a floating dock, but no vessels. As a further spur, Brazilian shipbuilders now hope the Covernment will comply with their request to raise the level of supported financing from 80 to 90 per cent, reduce interest (currently 8 per cent) and the content of the covernment will comply with their request to raise the level of supported financing from 80 to 90 per cent, reduce interest. (currently 8 per cent) and Brazil's potential growth as a extend periods of grace and buyer of vessels has attacted grant other financial incentives.

New Italian container line

capacity of 576 containers, three times that of earlier "Express" The Levante Express the first of the two new "Boxer class wessels owned by Sea vessels operated by Adriatica. They carry containers on deck, with roll-on roll-off vessels

Containers and operated by the carried in the hull, The ships are provisionally expected to call at Alexandria, Lattakia, Limassol in Cyprus, Naples, Piraeus, Malta, Tripoli line, will call at Felixstowe and Hull en route to Rotterdam and the Middle East starting in the Lattakia, I middle of next month. It will Naples, Pir be joined by the Fenkia and Tunis.

Soviet gas pipe order won by Germany

piping.

BONN—Despite the current strike in the West German steel industry. Mannesmann has gained another large order from the Soviet Union for large-diameter steel

The order given to the trading group Mannesmann Handel/Thyssen Stablunion by the Soviet organisation V/O Promsyrioimport is for 700,000 tonnes of gas piping. No precise figure for the value of the order is given, but it is thought to be close to DM 1bn.

The pipes will be produced in the new factory of Mannes-mamrochren-Werke at Muci-heim in the Ruhr area, and delivered throughout next

year. The factory is one of those hit by the strike, and the company warns that a continua-tion of the stoppage, now three weeks old, could place both fulfilment of the order and jobs in danger.

Mannesmann is one of the world's leading steel piping manufacturers and has re-ceived orders for more than 4m tonnes from the Soviet Union since 1970.

The company is also a leading plant construction and engineering group. Last mouth it announced a new DM 613m investment programme—much of that going to the pipes division.

Comecon debt of \$200bn by 1990 predicted

By Paul Lendvai

VIENNA - The aggregate debt of the Comecon countries will reach, even under relatively favourable trading conditions, about \$200bn by 1990, according to Dr. Friedrich Levick, the director of the Vienna-based Institute on East - West Comparative Economics.

The institute has prepared study for the Austrian Ministry of Trade on Austria's trade with the East in the 1977-80 period and also presented some long-term projections

Dr. Levick added that the Comecon countries are unlikely to be able to balance their trade with the West before the end of the 1980s.

A high rate of imports from the East are unlikely

and even on the assumption that there will be no upsurge of protectionism, the growth rate of East European exports to the West will not surpass | machines. per cent per annum. Western exports to the East

should expand at an annual rate of 4.9 per cent, according to the institute's estimates.

Total Comecon indebtedness was expected to reach \$200bn by 1990 with the Soviet Union alone accounting for up to

\$48hn.

SE ASIAN TRADE

Asean projects move ahead slowly

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ive ASEAN countries who mer in the Malaysian capital last week have finally given the green light for Indonesia and Malaysia to start their urea projects, giving a boost to the ASEAN plan of regional import-substitution.

The two urez plants are among five industrial projects agreed at the ASEAN summit in Bali in February, 1976. Thailand was to undertake the manufacture of soda ash, the Philippines superphosphates, Singapore diesel engines,

ECONOMIC MINISTERS of the Hussein Onn, the Malaysian five ASEAN countries who met Prime Minister, a man noted for Prime Minister, a man noted for his cautious approach to things, has complained or their slow

> Heads of Government them ment. Immediately, selves. At Bali they were under interests over-rode group was not merely a talking itself to make diesel engines forum.

The ASEAN heads were meet-

realise the difficulties in starting these projects, as they carried out feasibility studies, and lay A great deal of the delay can down the ground rules for be attributed to the ASEAN equity participation and manage-Immediately, national considerable pressure to show considerations as Indonesia to the world that their regional demanded that Singapore limit

The ASEAN heads were meet small plants.
ing just after the Communist. At the ASEAN-Japan dialogue victories in Indo-China, and in August last year, the ASEAN they were eager to demonstrate, countries closed their ranks Singapore diesel engines, particularly to an arrogant again to extract a pledge from it is now close to three years. Hanoi, that ASEAN has econd- Tokyo to help finance the indussince Bali, and even Datuk mic as well as political clout. Trial projects by up to \$1bn.

It was only after the Bali The urea plants are probably summit that ASEAN began to the easiest of the five ASEAN the easiest of the five ASEAN projects. Even if they were not designated projects, both Indonesia and Malaysia would have built them themselves, considering their large reserves of natural gas, their enormous demand for fertilisers, and in the case of Malaysia, its huge reserve of cash piling up at its national oil company, Petronas.

Malaysia's urea plant will be built at Bintulu in Sarawak, where Petronas is in partnership with Shell and Mitsubishi to build a \$1bn liquid natural gas plant. The Indonesian plant will be located at Acheh, in North

Sumatra.

Both the plants will have an annual capacity of slightly over 500,000 tonnes of urea and ammonia, and Indonesia's plant is estimated to cost \$323m, while the cost of Malaysia's was not disclosed. Both are basically for domestic consumption, with perhaps 10 to 15 per cent for export to Thailand and the Philippines.

It was agreed that prices of their products should be com-parable to world prices. There were fears, however, that the ASEAN projects could be uneconomical, and consumers might have to carry them as

The host country will hold 60 per cent of the equity (which it could invite foreign partici-pation) while each of the ASEAN members will take 13 per cent, with the exception of Singapore, which will hold only one per cent. Singapore i holding back as an expression of dissatisfaction of Indonesia's stand on its diesel engine project, and partly because it con

sumes little of their products. Both Indonesia and Malaysia have given 1984 as the target for their plants to go on stream. However, the appreciation of the yen now poses a problem.
ASEAN would like Japan to
offer finance in softer
currencies, and as one Minister
puts it: "It is no good if we get 2 or 3 per cent lower in interest rates, when the yen is rising by 15 to 20 per cent a

UK process plant companies may miss opportunities in India

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

THE UK process plant industry cals and Fertilisers as the main has only a short time to con- contractor for Gas I and IL vince the Indian authorities Although India has a sizeable that it can supply equipment at process plant industry of its a competitive price and meet own, the complexity and the stringent delivery dates if it is speed with which it wants to to gain a share in India's ambitious fertiliser plant expansion programme.

A mission arranged by the industry's economic development committee has just returned from India with details about the programme. Agencies of the Indian Government plan to build four major ammonia and urea plants, known as Gas I-IV, which will ise gas supplied from the two fields off Bombay known as Basein and Bombay High.

When completed, at an esti-mated cost of £800m, they will be producing 1,250 tonnes a day of ammonia, and 4,200 tonnes a day of urea. Three other new expanded fertiliser plants are also planned in the east of India and in Assam, one of which has already named named Foster Wheeler of Britain as its main contractor.

orders on hand has fallen sub-

year study published by Credit Suisse, order books have fallen off so much as a result of the

higher Swiss Franc that various

companies have had to intro-

duce short time or are about to

take this step. Others have

decided to cease production and

close down altogether, he says. Mr. Hafner said turnover of

£32m contracts

for Stone-Platt

STONE-PLATT Industries have

recently won orders worth more than £32m to supply

equipment to various parts of

.The textile machinery manu

secturers, Platt Saco Lowell and

Scragg have won orders worth

£22m including a large, single

order for Platt Saco Lowell worth £5.5m for equipment for Misr Spinning and Weaving in

Scragg has elso been awarded

the world.

BY JOHN WICKS

complete the Gas I-IV pro-gramme—all four are aimed to be completed over the next three years—means that foreign equipment will have to be brought in. The authorities estimate between 30-40 per cent

will be imported, but it may well turn out to be higher. Bids opened on November 10 for the appointment of the main foreign contractor for Gas I and II, and the two UK contractors
—Humphreys & Glasgow, and
Kellogg UK—have put in their

But the response of fabrication side of the UK industry has been poor so far. Initial announcement of the tenders for fabrication equipment produced just one reply from this country 10 days before the close. The final announce-

ZURICH — The volume of Swiss textiles had dropped by the industry, Mr. Hainer said rders on hand has fallen sub- more than 10 per cent this year. the "psychological low" had

stantially in the Swiss textile He said the industry had lost its now been overcome, with the

to textile manufacturers of the

National Bank move to raise the

DM exchange rate against the

Swiss franc and said that the

industry would also welcome

Swiss co-operation with the

European Monetary System and

BY CHRISTOPHER BOBINSKI

yard and staple fibres plant at

Pila, has reached the stage of

to be worth in the region of the work

final price negotiations.

Government promotion

investments.

ciation" of the currency against dollar.

Fall in Swiss textile orders

industry in the current fourth competitive power overnight quarter, despite considerable because of the "drastic appre-

price concessions.

According to Dr. Alexander
Hafner, director of the Swiss
Textiles Chamber, in an end-of-

tenders,

the reputation of the UK industry in India, is generally speaking, very poor. We heard allegations of uncompetitive pricing and poor delivery, as well as more minor complaints about things such as

poor packaging and documenta-tion. The result is that the Japanese, Germans, French and Italians are taking over this market." Industry figures show that the UK accounted for around one quarter of India's imports of process plant equipment in the early 70s. By 1976, the share had shrunk to 9.2 per cent. Yet Sir Cyril says there is

still "enormous goodwill" to-wards the idea of buying British, which has been helped by the visits over the past 18 months first by Mrs. Judith Hart, Minister of Overseas Development, and then by the Prime Minister.

Mrs. Hart's visit in August 1977 was designed to make British aid to India, running at ment for tenders was published £140m annually, to be used earlier this month. Sir Cyril Pitts, ex-general Indian The Indian Government has manager of ICI International, intend to use this aid for the already named Rashtriya Chemi- who led the mission, admits that building of Gas I and II.

new Swiss monetary policy and U.S. measures to support the

He viewed 1979 with what he

called cautious optimism, saying it had been proved repeatedly

how resistant the textiles sector

the gradual exodus of the Euro-

pean clothing industry to the

southern Mediterranean, he stated that Swiss textile manu-facturers had now plans to shift

and a British and West German

The Polish decision to split

the contract means that com-

While expressing concern at

was to economic setbacks.

vestments. their capacities into the "low-Despite the difficulties facing price producer countries."

WARSAW - The Polish \$150m to \$180m in the near

authorities have decided to split future. Two Japanese consortia

into two stages the award of are bidding for the polyester

contracts for an aromatics and plant against a U.S. group in

polyester fibres project which is which Chemtex is offering the to be built at Pila and Plock engineering and construction and is worth an estimated along with Du Pont technology,

The battle for one party of the group led by Davy International project, the 42,000 tonne annual Projects which is offering

final price negotiations.

The Poles are expected to four groups in the race till now award this contract, estimated will be hidden for the new two two poles.

polyester filament Zimmer technology.

Polish award expected

Anger over Nigerian inspection regulations

BRITAIN MAY call on the European Commission to take united action against a Nigerian exports to Nigeria from January The U.K. exported flbn of goods to Nigeria last year and the Trade Department said yesterday it would monitor the effect of the inspections on

exports.
The control on the quality, quantity and price of all exports to Nigeria, with some unnamed exemptions, was called for by the Nigerian Government to help prevent the export of excess foreign exchange from

the country.

The Trade Department said the inspections could lead to delays in the export of goods, extra storage costs and more office work for exporters. Britain would be talking with

other trading partners about the impact on their trade with Nigeria. It was possible that the unilateral imposition of inspections may be a technical barrier to trade, or it may even be illegal, the Trade Department

France stays in the black By David White

PARIS - France's balance remained in the black last month with a seasonally adjusted surplus of FFr 342m (£38m). Although much lower than

the October surplus of FFr 721m, the figure confirms the sharp turnaround in French trade since last Autumn. This year has produced surpluses for every month so far except January and August.

But the FFr 2.9bn adjusted surplus clocked up in the first 11 months is overshadowed by the prospect that France will have to find an extra FFr 6bn next year to cover its oil bill, following the OPEC meeting in Abu Dhabi.

Jordan to buy helicopters

By Rami G. Khouri

AMMAN — The State-owned Jordanian airline Alia has bought two helicopters from the American manufacturers Sikorsky to launch what is believed to be the Middle East's first domestic helicopter service for business people and tourists. The deal, worth \$2.5m includ-

ing spares and training, will see the two twelve-to-fourteen seater helicopters delivered and put into service in the autumn of 1980. Alia chairman and

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lets: Sandi Arabian Monetary Agency, Riyad Bank, National Commercial Bank (Sandi Arabia), Morgan Guaranty, Trust Company of New York, The Bank of Tokyo, Banque Nationale de Paris, Denische Bank, National Westminster, Bank and Union Bank of Switzerland.

By David Fishlock, Science Editor

THE FIRST serious attempt by an important sector of the nuclear energy industry to respond to heightened public awareness of the dangers of nuclear proliferation, and in particular with the new U.S. Non-Proliferation Act, has been made by the international uranium industry.

The Uranium Institute, in London, has released a set of guidelines for Government nuclear export policies.

They are designed to replace the case-by-case approach to uranium supply contracts, which the industry finds frustratingly slow in relation to the size and time scale of new uranium mining and process-

They have been submitted. with UK Government endorse-ment, to the International Nuclear Fuel Cycle Evaluation. the two-year reappraisal of nuclear technology launched by President Carter lest year in the search for tighter controls over nuclear proliferation.

The 11 guidelines agreed by the 37 members of the Uranium Institute, which includes consumers and producers from 11 countries, implicitly criticises recent unilateral actions by the U.S., Canada and Australia.

Progress

They recommend that rules adopted by individual Governments when framing non-proliferation objectives should be based on a broad consensus on behaviour and should be introduced only after adequate diswith the whole industry.

Rules should not attempt to halt technological progress, and should be consistent with the full development of the nuclear fuel cycle. They should be framed so as to facilitate unam-biguous and non-discretionary application.

There should be a clear presumption that contracts, once concluded, will be fulfilled unless both parties agree otherwise, or unless one violates the non-proliferation rules.

Governments, the guidelines recommended, should assure fulfilment of all commercial contracts approved by their prede-

able unaminity between producers, processors and users of

Government Influence on International Trade in Uranium (Tthe Uranium Institute, New)

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

overseas railway contracts the railway manufacturing worth more than £1.7bn if the industry's past success has been

This is the central argument f250m, of which £100m is for advanced today by the Railway Industry Association in its evi-

dence to the joint British Rail- export of railway electrification

on review.

The association supports underpinned by a much larger ritish Rail's own basic case domestic rail electrification at electrification is seed as

concentrates an describing in to most overseas railway expan-detall the value of a rolling sion and modernisation projects.

electrification programme to One British company was pur-

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BRITISH INDUSTRY would be industry.

more strongly placed to win

Covernment decided to back a

sustained programme of rail

Government railway electrifica-

British Rail's own basic case

that electrification is good on

energy conservation and tech- in Britain, nical efficiency grounds, but Electric

electrification in Britain.

tion review.

NEW ISSUE

'Fringe bank' fights order to liquidate

KENDAL & DENT, a "fringe bank" with Portuguese connecorder of provisional liquidation. is to fight the order, according to Lord Ponsonby of Shulbrede, a director.

The Department of Trade has acted to close the bank under provisions in the Protection of Depositors and Companies Acts on the grounds that it was in the public interest that the bank

On Friday, the department won a High Court order appointing the Official Receiver as provisional liquidator pending a full winding up hearing on January 23.

On Monday of last week, the department had used the same powers to have the Official Receiver appointed to Barnett Christie, another small bank associated with Oceana Holdings, a public industrial group whose shares were suspended in the Stock Exchange last

Department denied that there was any connection between the two events. "There is no question of another secondary bank crisis. Nor have we been conducting a witch hunt hank among the fringe banks."

Lord Ponsonby said that he believed the entire matter could be cleared up. While the Department of Trade had not itemised the grounds for its application, it was probably foreign exchange markets.

connected with Kendal & In the case of Barnett
Dent's relationships with
COFIL a Portuguese bank run
thought to be the connections

by the same directors. During the revolution in Portugal in 1974 COFIL was Portugal under a closure order and was overturned last month. sidiaries, Haper Plastics.

It was possible that the department had obtained news tions, which is under a court of the earlier court hearings status as an operating bank, said

Lord Ponsonby. Meanwhile, Kendal and Dent has also been involved in altercations with its auditors, Stoy Hayward, over its connections with COFIL.

Lord Ponsonby said that a
"fair proportion" of Kendal
and Dent's funds were
deposited with COFIL.
The board of Kendal and
Dent has held three meetings
with the auditors who have

its auditors, who have qualified the accounts on the grounds that they could not obtain independent evidence of transactions between the

Silver reserves

Stoy Hayward has recommended that additional indethat additional independent share capital be injected into Kendal and Dent. The arguments apparently caused the report and accounts to be delayed, but Lord Ponsonby said that they were finally approved on Friday. Kendal and Dent is a fringe financial organisation with assets of £7m. It specialises in

depositors' funds are automatically converted into silver reserves. It also offers intercurrency facilities through the

between the bank and Oceana Holdings, which has the same board. Barnett Christie's board. auditors have also questioned by the Government That order the position of loans from the had been contested in the courts bank to one of Oceana's sub-

Drug price rise of 30% worries pharmacists

ndustry. suing 40 electrification projects
It points out that much of in 18 countries. The total value

railway manufacturing of these schemes to the British

A GROUP representing more the Treasury. Boots and the than 10,000 pharmacists in Health Department have denied Britain last night expressed that the arrangement was grave concern " at the 30 per Brufen agreed between the Government and Boots, its producer.

Services Negotiating Comducing the report, says that the Roland Moyle. price of Brufen, used by hundreds of thousands of

rheumatism sufferers. Continent.

Under the deal, disclosed in Boots said last night that the journal of the Pharma- Brufen was still the lowest to pay back "excess profits" to market.

related to British Rail's own projects. At present, the indus-

try's annual turnover is put at

products-Sweden. Japan, West

infrastructure than is the case

Electric traction was the key

November 14, 1978

that the arrangement was "secret," and the Department cent price rise in the drug said that the deal was the only one of its kind.

It had been made possible by the Pharmaceutical Price Regu-Mr. Alan Smith, chief execu-lations Scheme, introduced in tive of the Pharmaceutical April, under which the Government can require manufacturers to repay excess profits.

Another reason for the price Health increase was to prevent Euro-Minister, over the increased pean wholesalers buying Brufen price of Brufen, used by in Britain at a lower price than

House, Haymarket, ceutical Society, Boots agreed priced drug of its kind on the

industry would be £1.7bn.

£17,000

Victorian

bird book

AT SOTHEBY'S yesterday a

Two books about Kew Gardens, one by Bauer, one by Meen, very rare, both with hand-coloured plates, realised £12,000. The same sum secured

"A Collection of Roses from Nature" by Mary Lawrence.

SALEROOM

electrification

Pound long-term outlook 'bearish'

By Peter Riddell, Economics Correspondent

THE SHORT-TERM prospects for sterling have improved as a result of Government action to stabilise the exchange rate. but the outlook for the pound is bearish on a longer view because of a loss of com-petitiveness, it was suggested esterday.

The conclusion is contained in the Exchange Rate Outlook, published today by Mr. Terry Burns and Mr. Bill Robinson of the London Business School in co-operation with Gower Press and money brokers Charles Fulton and Company. The business school is not formally involved.

The detailed analysis suggests that the Government will be broadly successful in its aim of stablising sterling over the next few months. But on a 12-month view, Ontlook is less

sanguine.
This is because pressures after an election to improve the UK's competitive position could be significant, monetary policy is unlikely to be consistent with exchange rate stability, and a current account deficit is expected.

The price competitiveness of British goods is expected to deteriorate further over the next year because UK wholesale prices are forecast to rise by 7.8 per cent next year compared

the prices of competitors.

The Deutschemark is expected to move upwards but the recovery in the Japanese Yen, after last month's heavy fall, probably will be at a much slower pace than in the past.

Lottery report rejected by district councils

DISTRICT COUNCILS have told

the Government they reject all the main recommendations made by the Royal Commission on Gambling on local authority The Royal Commission made.

three main recommendations to the Government on the lotteries. which are expected to net up to £17m this year. These were that there should be a ban on external lottery managers, expenses should be-limited to 15 per cent of turnover and that income should be restricted to providing optional amenities. In its comments on the report, the Association of District Councils says that to deny local authorities external lottery

managers would be "a wholly unwarranted intrusion into freedom of action" which would not necessarily reduce

costs or improve efficiency.

THE WEEKLY meeting of the mission investigation. Price Commission tomorrow, Both Ford and the Price Com-which will decide whether or mission have for the last three not to investigate Ford, could weeks taken the view that, even Both Ford and the Price Comcuaries williams, the commis-sion's cheirman, to clarify the implement its price increase position on pay and prices now during the three-month period that the Government has of investigation as a received

An assessment of Ford's

official manifesto for the direct

A manifesto approved only by the NEC is likely to take a far more negative approach to

While the Government may

make the need to improve the

EEC's farm price policy one of the platforms of its election

campaign, it would almost cer-

tainly take a softer line on things such as the European

As Europe will be one of the

subjects covered by the mani-festo for the British General

could be left with two different

Price Commission to decide on Ford

The situation arises because

Monetary System

sets of commitments.

elections.

much publicised proposals for Europe than one drawn up the British election manifesto, jointly with the Cabinet.

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

Labour wants united

stand on Europe

BY ELINOR GOODMAN, LOBBY STAFF

THE LABOUR PARTY could go to the polls next year with two different and possibly contra-dictory manifestos on Europe.

As things stand at the raoment,

the elections for the European

Parliament could be fought on a

manifesto approved only by the Left-wing dominated National Executive Committee.

The manifesto for the British

General election, on the other

hand, has to be agreed jointly by the Committee and the Cabinet and is likely to be less

hostile towards Europe than that favoured by the executive,

which opposes the whoel idea of

At its meeting tomorrow, at

which highly controversial pro-posals for the British manifesto will also be discussed, the com-mittee will be asked to approve

a plan for drawing up the

European manifesto agreed by

the home policy committee headed by Mr. Anthony Wedg-

wood Benn and by the Inter-

These two committees were

responsible for drawing up the

which ministers will be doing their best to kill off at the meet-ing of representatives of the

NEC and the Cabinet to follow

Under the scheme proposed by the policy committees, Transport House staff will be

asked to draw up a draft

manifesto for the European elections which will then go be-fore a full meeting of the NEC

in January. If it receives the

necessary approval, it would then become the Labour Party's

the Executive's meeting.

national Policy Committee.

direct elections to Strasbourg.

abandoned sanctions. It had been widely expected that Ford, which notified the Price Commission three weeks ago that it intended to put up its prices by 4.9 per cent, would be

The commission's decisions on which companies it will investi- brokers also see Ford's share of gate, are made independently of the domestic market climbing the Government, and Mr. up to 30 per cent in the present Williams emphasised again last month as the factories get back week that the commission is not to operating at high levels. On an instrument of pay policy. But it is obvious share for the last quarter of that Government preference is 1978 is estimated at about 184 communicated to the commisper cent, against an average of sion, and it is therefore possible 27 per cent in the first nine that the Government's weakness months. in applying pressure to the private sector after last week's defeat in the Commons will lead achieved a 54 per cent sales into Ford's escaping a Price Com- crease, the second half of this

vear will still see sales at 12 per

market position by stockbroker Phillips and Drew, published yesterday, forecasts that even exports if Ford prices are restricted, this Financial Times Reporter will hardly depress domestic demand for Ford cars. The

Given the very strong third quarter, however, when Ford

cent higher than the same period last year, against a 18 per cent increase for the whole car

the party's much prided con-stitution written in 1918, makes no provision for the possibility

of European elections. While

the constitution details the way

the manifesto for Westminster

elections has to be agreed jointly at a "Clause 5" meeting

of the NEC and Cabinet, it is up to the party now to decide how to approach the European

responsible for drafting policy for the NEC have decided that

since under the constitution it

is the NEC which is entrusted with carrying out the annual conference decisions, it is this

body which should have the final say on the European

Ministers will say, however, that it would be ridiculous for

the same way it is for West-

Britain's contribution to the

Est budget was the subject of a meeting of the TUC/Labour Party Liaison Committee yesterday. This body was set up to cement the links between the different arms of the Labour movement. It agreed that the

vernment should put pressure

on other European governments in an attempt to reduce Britain's

disproportionately large coutri-

bution to the Community budget

The committee echoed the con-

earn expressed by the Prime Minister in his November speech at the Guildhall, about the lack

of equity in the present arrangements for financing the Community's activities.

minster elections.

committees

manifesto.

Trade curbs hit footwear

TRADE restrictions abroad hit the footwear industry with an exports fall of more than 20 per cent in October, says a statistical survey by the British Footwear Manuface

October exports were 19.3m pairs, 20.2 per cent below the previous year. Even in value terms, normally higher, exports dropped by 12.7 per cent to ...

Imports in the same month rose sharply, with more than

Builders fear plan for State control

Sho

inte

rate

ma.

By Michael Cassell, Building Correspondent

THE building industry has called on the Prime Minister to spell out the Government's position on proposals which would put parts of it under State control.

The industry, which has fought a national campaign against Labour Party proposals to nationalise some contractors and building material producers, has asked Mr. Callaghan for assurances that he is opposed to their adoption.

The request made by Sir Maurice Laing, chairman of the CARIN anti-nationalisation campaign and president of the Federation of Civil Engineering Contractors, has come in the wake of suggestions that the proposals are under active con-sideration for inclusion in the next general election manifesto. Sir Maurice has written to the

the party to go to the country with two separate policies on Europe and that the Cabinet should be involved in drawing up the European manifesto in Prime Minister emphasising the "overwhelming and proven" hostility to the nationalisation plans from the public and building industry workers and expressing "serious alarm" at the prospect of the proposals becoming Government policy.

The industry was surprised and disappointed that there had been no formal discussion on the plans and combuing uncertainty over their future

was damaging confidence.
"We remain convinced that nationalisation of any part, either of our industry or of our suppliers, would be damag-ing to the industry's overall efficiency and to the astional interest.

Criticism of housing accounts

By Michael Carrell, Building Correspond

THE RECENT history of the Housing Corporation repre-sented a saga of incompetence," according to Mr. Michael Reseltine, Opposition spokesman in the environment, who yesterday asked the Government how it intended to improve the corporation's public accountability. Last week, the corporation

was forced to postpone the pub-lication of its annual report and accounts because of what it involving a few million pounds.

in October, the Commons Public Accounts Committee said that it intended launching a farther roomly into the finances of housing associations as a step towards making the Housing Corporation fully accountable to Parliament

• NEWS ANALYSIS-EVIDENCE POINTS TO THE IRA Electric trains 'exports key'

New bomb wave is no surprise

BY STEWART DALBY

Lack of a continuous electri-THE BOMBS in English towns fication programme in Britain was seriously inhibiting the should come as a surprise to development of new technology no-one. The Provisional IRA has been throwing out hints needed to keep pace with foreign competition, and also created problems in determin-ing the right level of production since August that its autumn or winter offensive (it was never too precise on the exact date) would be carried over into Britain if necessary.

Agricultum en activitation industry view. Free from RIA, 9 Catherine Place, London SWIE In an interview in Dublin's Magill Magazine in that month, top member of the Provisionals' army council, who remained anonymous, said that the IRA had solved the logistical problem over opera-tions in Britain, which was formidable because of massive surveillance.

Since then, lower ranking Provisionals have told journalists through various grapevines, that the campaign was definitely on. British Army officers said in the early autumn copy of "The Birds of New Guinea" by J. Gould and R. Bowdler Sharpe, with 300 coloured plates, sold for £17,000 in a printed books auction which totalled £121,346. that intelligence reports showed an offensive was imminent

They also said the Provos were capable of launching the kind of campaign now in full swing, and that they had been quiet all summer because they were reorganising. There was always the possibility that the Provos and/or the Army were crying wolf, but the balance of evidence suggested otherwise.

Intelligence

From the start of his stint

Intelligence operations have

Behind the campaign is a determination by the Pro-visionals to disprove the claim BY ANTONY THORNCROFT by Mr. Roy Mason, Secretary for Northern Ireland, that security

has been improved to the stage Works of art and objects of where a revival of economic life vertu at Southeby's brought in is possible. £44,993. The highest price was £3.000 for a German rock crystal spuff box of about 1760. trated on security, leaving the An English gold etui of about politicians well alone. He 1745 sold for £2,600 and S. J. allowed the crack SAS troops, Phillips paid £2,200 for a large of whom there are thought to English presentation gold fob seal. All the prices carry the 10 per cent buyer's premium.
At Southeby Parke Bernet,
New York, on Saturday a Laver-Kirman pictorial carpet depict-Nugan Hand International | | ing the rulers of Persia sold for £53,300 in a rugs and carpets auction totalling £828,807.

The police have moved into former "no go" areas and broken up illicit protection rackets, illegal shebeens (bars) and taxi services. All of these formed an important source of revenue for the Provisionals.

The improved intelligence was one of the factors behind their re-organisation. They have broken up their loose and leaky brigade and batallion structures. Until the new offensive, security did look a bit better. All the key statistics for the year, including deaths, injuries and numbers of explosions, were

For a year, Mr. Mason has used the improvement to attract foreign investors to the province. At a cost in subsidies, he has had some success. DeLorean Motors has been the most publicised and the most costly, but with three other American concerns, it could provide 4,000 new jobs by the early 1980s.

That will not be enough, since with its declining indus tries. Northern Ireland will need 25,000 jobs by 1983 if it is to get its jobless total back to the pre-troubles level of 7 per cent. It is a start, however. The key question is whether more foreigners will come if the bombings continue.

Since the beginning of last month the Provisionals have been raging economic warfare. More than 120 bombs have been placed in the province, but only one person has been killed, though dozens been injured. Fearful of alienating Roman Catholic sympathy two years ago Mr. Mason concen- the way they did with the La Mon Restaurant bombing of February last year they are attacking factories, shops and other economic targets. They be 120 in Northern Ireland, to have done £12m worth of operate throughout the province. damage so far.

In terms of publicity value been stepped up both by the however, they probably have police and the Army. The Royal not achieved their goal. It is Ulster Constabulary has become one of the lesser tragedies of wear normal prison clothes and

more confidence among Roman province that it takes little for political status. Even last year, there have been 355 catholics.

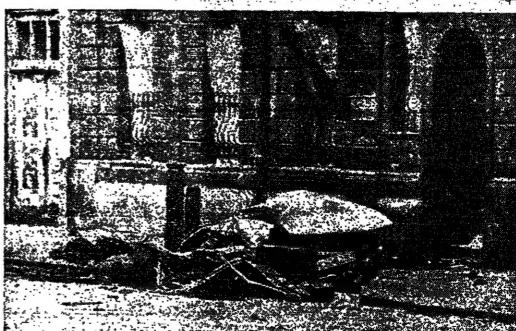
Catholics. though the troubles are self-bank robberies, mostly by the The spate of bombs in Northern Ireland, itself, for example, has warranted little news space in British news-

papers or on British television. It is probably safe to say that most people in Britain are unaware that a campaign to rock the foundations of Mr.

The Provos also want some

inflicted, they have gained Provisionals giving them a haul much sympathy among the of £210,726. In the Republic, huge Irish population of the the haul runs into millions.

The Provisionals have split their cadres into four-man notice taken of what is going active service units. Many of the on in Westminster, where activists are 17 and 18-year-olds another five seats are to be who are new to the movement given to Ulster; five seats The only other people an indiwhich the Unionists think they vidual will know in the organi-



The remains of a car in which a bomb, thought to be work of the IRA, exploded early yesterday in High Holborn, central London. Another bomb exploded in a ear park near by. Five people were taken to hospital with minor injuries.

Hence the hombs in Britain. will win. The Provisionals do sation are his three companions The Provisionals have long not approve of this. Above all; in the unit and the man from believed this is the way to they want to discredit Mr. whom he gets his orders. make Northern Ireland an Mason. issue once again. If they successfully wreck shops and factories "over the water", they feel attention will be drawn to their H Block campaign.

This is where 330 Provo prisoners in the Maze Prison the degree of the effectiveness mature end when two key at Long Kesh are refusing to of the campaign in Northern operatives were "lifted." It is

whether they have overcome the the last few weeks, no arrests of Sea remains to be seen. There

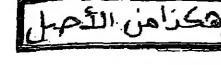
How long they can sustain. Although there have been their campaign in Britain and some charges for bombings in Although there have been

logistical difficulties in getting top or even middle ranking back their men across the Irish members have come to light This is significant. Last year's are already worrying signs about - winter offensive came to a pre-Ireland itself.

a chilling thought that perhaps.

They are not short of funds. this winter the Provisionals. less partisan, it is claimed, and Ulster that the world is so accept normal conditions. They are not short of funds, this winter the Provisionals has been able to operate with weary of the horrors of the because they are campaigning. In Northern Ireland alone in the might have more staying power.

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for Sta control

The December 19 10

interest

rates 'may fall'

By Peter Riddell, Ed Correspondent

SHORT-TERM interest rates could fall during 1979 with Minimum Lending Rate below 10 per cent by the end of the year against 124 per cent now, according to a new analysis from brokers Phillips and Drew.

The brokers expect that yields on long-dated gilt-edged stock will be highly sensitive to any downward drift in short-term rates and could fall to about 114 per cent by the end of 1979, against about 121 per cent now.

They suggest this could happen in view of a strong build-up in funds available for investment in the hands of financial institutions.

The volume of personal funds available for investment, and especially those going into life assurance and pension funds, are likely to keep pace next-year with the rise in the public sector borrowing requirement.

This is in contrast to this year when, in spite of a strong inflow into National Sayings, the expansion of the flow into life assurance and pension funds did not match the growth in the borrowing requirement.

This created problems for the authorities in maintaining their programmes of gilt-edged sales. Consequently, the brokers argue, while this year there have been strong domestic reasons prompting the authorities to raise the level of interest rates, there may be scope on the domestic front in 1979 for some modernisation in the level of short rates as funding becomes less burdensome.

Phillips and Drew estimates that the funds available for long term investment rose from £5.3bn last year to £8.8bn in 1978, with a projected rise to £9.9bn in 1979. The borrowing requirement is forecast to increase from £5.9bn to £7.8bn this year and to £8.8bn in 1979.

Objective

Criticia

of how

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In a separate article, the brokers suggest that over the next year the profitability of exports should be againtained at the expense of a slight fall in price competitiveness. This reflects the Government's objective of supporting the trade-

weighted exchange rate. The brokers believe this is unlikely to have much effect on export volume, which appears to be influenced more by other factors such as quality and delivery dates.

A contrasting view of interest de Zoete and Bevan, who argue that "at best," the outlook is for further interest rate rises, possibly confined to the first half of next year, with long-term rates rising by more than short-

The brokers say rising credit instead demands coinciding with an councils. Increased public sector deficit. The stawill bring higher interest rates. Post Offi demands coinciding with an councils.

The stamps will be on sale at in eight weeks by the colliery.

The stamps will be on sale at in eight weeks by the colliery.

The miners are trying to earn unless the authorities choose to and the authority will also as much as possible for christmas through the incentive

Short term National Savings at record £10.86bn

CONTINUING HIGH sale, of the issue was launched in 1975 inflatic ofed investments for pensioners helped raise

tonth.

The retirement issue of taking advantage.

Interpretational Savings Certificates, Total net inflow of National The refirement assue of laking advantage.

National Savings Certificates, which earned bonuses in line Savings came to £66.8m and the with rises in the cost of living, rest of the £98.2m rise came brought in a net £26.6m. This

The issue's individual investpensioners helped raise ment limit was raised from £500 National Savings funds by to £700 in October, and much £98.2m to a record £10.86bn last of the latest inflow is believed to have come from pensioners

was the fourth best month since to the existing accounts.

Oil tanker 'could be converted for base'

BY OUR BELFAST CORRESPONDENT

A STUDY carried out by The use of an aircraft carrier for direct flights to North Sea ment-owned Belfast shipyard, fields from mainland airports has shown that it would be poscould bring substantial savings sible to convert an oil tanker into an aircraftcarrier for commercial operations in the North Sea oil fields.

Sea oil fields.

The Belfast company undertook the design study for Seaforth Maritime of Aberdeen, which runs oilrig supply vessels. Seaforth has drawn up a plan in conjunction with Alidair, the independent airline based in Derby, which is being studied by the Department of

Harland and Wolff said it was possible to lengthen and strengthen the deck of a tanker to take the short take-off-and-

in the cost of moving staff.

Inflation accounting

A MISSING WORD resulted in Mr. Martin Haslam, a partner in the accounting firm Keymer Haslam, being misquoted in our report on Saturday of the Financial Times conference on inflation accounting.

He suggested that the time spent debating inflation accountlanding aircraft specified.

Although it based its concentrating on the major probversion on a Shell-L-class tanker lems of the business world, build in Belfast, the company firstly inflation itself. In our said it was not known if such report, the word accounting a vessel would be available. was, unfortunately, omitted.

Food spending a record in spite of price fall

FINANCIAL TIMES REPORTER

SPENDING ON food reached a 1.6 per cent compared with the record level in the third quarter second quarter mainly because

It shows that average house-hold's expenditure on food rose to £5.81 per person a week during July to September. This was 32p a week more than in the second quarter of the year and 75p more than in the third

of 1978 in spite of a fall in of seasonally cheaper fresh prices, according to the latest fruit and vegetables. The index National Food Sorvey, issued of food prices was only 8 per by the Ministry of Agriculture. cent higher than a year ago, was up by 14.8 per cent.

The extra spending was con centrated largely on meat and meat products as well as fruit and vegetables. Expenditure on meat and meat products, at quarter of 1977.

But the survey's index of 33 per cent of the weekly food food prices showed a throp of hudget.

Water authority savings plan

SAVINGS STAMPS at 50p each authority's new computer sysare being introduced by the tem, is expected to save fim.

Anglian Water Authority to and sewerage bills.

The new system will coincide with the direct billing of more than im customers between the Humber and the Thames who will pay their rates direct to the authority from nex April instead of through district

deflationary fiscal accept credit-card payments. Christmas thro Direct billing, using the bonus scheme.

Colliery breaks record again

THE 1,760 miners at Shirebrook Colliery, near Chesterfield, have broken their weekly production record again, producing 30,500 tonnes in a week, the NCB said yesterday. It is the sixth record in eight weeks by the colliery.

London's oldest mosaic floor

THE OLDEST Roman mosaic floor yet discovered in London and evidence of a hig fire in Roman times are two important discoveries of an archaeological dig in the heart of the City of The dig has been undertaken

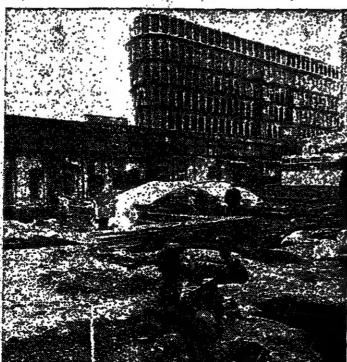
by the Museum of London's Department of Urban Archaeo logy at the Watling Court site in Cannon Street destined for redevelopment by contractors Higgs and Hill as offices for the Electricity Board's Pension

The dig. which started in July, officially ends on January 8. With time running out Mr. Brain Hobley, chief urban archaeologist at the museum yesterday made an urgent appeal for 30 to 60 volunteers to help over the Christmas and New Year holidays with the final stages of excavation at the

To date the site has confirmed evidence of the Boadicean fire in about 60 AD, the Hadrianic

fire in the 120s and has suggested a hitherto unknown fire in the 150s.

It has also produced a series of Roman mosaic pavements. believed to be the oldest dishat was then the Thames



food have been discovered on cesspits. ank. the floor enabling the archaeo. Volunteers. The site has also revealed a logists to build up a picture of 01-606-1933.

covered in London. The Roman remains suggest a series of large finiher framed Saxon the Saxon environment. impressive and "substantial" House measuring about 40 it. Above the Saxon remains the houses, probably belonging to by 50 ff with a sunken floor, archaeologists have discovered people in business, along Traces of domestic refuse and mediaeval pits and chalk-lined

Volunteers should telephone

CONTRACTS

British Gas orders compressors

GEC GAS TURBINES has been to the supply and installation of for the design and construction awarded a £3.7m contract by the the two sets, GEC Cas Turbines of two twin-deck double-width two gas turbine-powered comis responsible for the filtration loading bridges to service the pressor sets for installation near and stiencing equipment, the connew super berths being built at trol gear and associated instrusies produce a total of about mentation. The sets should go the National Coal Board announces the sward of contracts.

by De Laval Stork. In addition the Redpath Dorman Long Group, workers in England

PROFITS AND RISKS IN TELEVISION INDUSTRY

Electronic Rentals ups its ratings

THE SALE by Lloyd's and Scottish for £61m of its tele-vision rental business to Electronic Rentals, unnounced last Friday, marks the latest in a series of deals which the group says had taken its television bire business into the number two slot in the industry.

Electronic, which operates the Visionhire concern, says that this datest acquisition will lift its market share from 8 per cent to 12 per cent and create a business generating annual turnover of about £100m.

Visionhire has been one of the more successful companies operating in an industry which has undergone a number of upheavals since 1970—many of which have been brought about successive Government changes in legislation dealing with hire purchase, rental con-trols and VAT.

These changes, according to a recent Price Commission report—which concluded by blocking price rises for Vision-hire and a number of other big rental concerns—have had a disturbing effect on the rental and television manufacturing

Slower increase

The latter, prompted by a boom in consumer spending power at the beginning of the iecade and the absence of hire purchase and rental controlsremoved in July, 1971—was encouraged to increase produc-Almost immediately, controls were re-introduced, with the birth of varying rates of VAT, while consumer spend-

of the 1973 oil crisis. The Price Commission report says that the over capacity and rental shops.

The indust vision manufacturing industry can be largely attributed to Government decisions taken in the early 1970s.

last year—has increased by ting rather than buying is the about 27 per cent since 1970, after-contract service and repair but only by about 11 per cent since 1973.

In the intervening years the rental industry has undergone a number of changes with the larger concerns seeking to buy market share by acquiring their smaller, less profitable rivals.

The result is that six companies, including Visionhire, control more than 60 per cent of the U.K. rental market. outright market leader is Thorn with a 30 per cent stake while Visionbire, with this latest deal, moves into number two position, on a par with Granada, with a 12 per cent share.

Visionhire has about 1m sub-scribers, about half of which have been acquired as a direct result of the group's purchases—the largest of which, before the present deal, was the acquisition of Lloyd's Surevision from the group's main share-holder, Philips Electronic and Associated Industries.

The rental companies provide very important market for UK television manufacturers, notably through their overseas interests. It is significant that Philips has played a big role in providing finance for the latest Visionhire acquisition.

According to the Price Commission report, Visionhire takes a minimum of 75 per cent of its television sets from Philips, and this latest acquisition will provide further outlets for the television manufacturer.

The rental industry thrives on technological change. The ing power fell significantly advent of 625-line transmission, following the inflationary effects of the 1972 oil original transmission, colour sets and printed circuits colour sets and printed circuits and semi-conductors, meant more customers flocking to The industry says that tech-

tainty in the minds of customers origin. and leads them to rent rather than risk an outright, and The number of television possibly expensive, purchase.

The added attraction of renagreements provided by the rental companies. This may be coming less attractive however, as the working life of a tele-vision set has become longer.

The Price Commission estimates that rental companies control about 50 per cent of the total UK television market, but concludes that they may find difficult to maintain this

white to colour television sets has clearly assisted the rental

rather than rented now that con- to spend about £200m over the better off in a larger concern.

The switch from black and

The rental companies are looking at new technological advances, such as the video cassette recorder, which they believe will boost rental con-tracts. Visionhire has launched

has markedly improved.

recorder as part of its contract package. Longer term, the industry views with some optimism the advent of television systems such as Prestel-a Post Office system which provides informa-

sumer confidence in colour sets next five years to meet this potential market. The Lloyds and Scottish acquisition will bring Visionhire

a further 500,000 subscribers and about 500 new shops and service depots. The group promises some rationalisation and says this will mean redundancies for hundreds of

workers. In the year to September 30. the Lloyd's and Scottish rental interests generated profits of about £1.6m, but clearly the finance and leasing concerntion on a television screen via in which Lloyd's Bank and the a telephone line. Visionhire has Royal Bank of Scotland each companies, but there is a danger taken part in the Prestel trials, owns 39 per cent—felt that this that the next generation of The company has told the business had too small a base colour sets will be purchased Price Commission that it plans to make progress and would be

'Spread of video cassettes could bring £1bn a year'

by analysts Buckmaster and Moore.

They predict rental incomes could reach this level by the mid-1980s, when about half of colour television set owners would also wish to have a

cent of television set owners were to want video recorders, rental income could be £1.5bn. After an analysis of the four that most machines rented in

The two Japanese types available in Europe are the Betamax, Thorn, which has the largest

THE UK television rental Video Home System (VHS) transfer its allegiance from industry could gain ££1bn a type developed by Matsushita's Philips machines to the VHS year from the spread of video-cassette recorders, says a study Company (JVC). They both A fourth system, developed have a maximum recording time of about three hours, and cost about £700 to £800. The running cost of tape is between 7p and 8.4p a minute for these two systems.

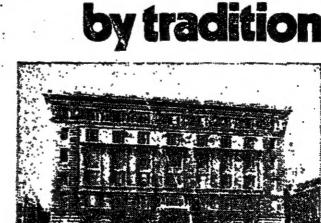
In the longer term, if 80 per record up to 2 hours 10 minutes of television programmes per tape at a cost of 13p a minute. The analysts say this system does not have great rental competing types of recorder potential because it is con-available, the analysts predict sidered less reliable than the Japanese competitors, costs nological changes create uncer- the UK will be of Japanese more to run, and has a shorter recording time.

> These factors have influenced developed by Sony, and the rental business in the UK, to of the VHS type.

by Grundig of Germany, on the basis of the Philips system, has a maximum recording time of four hours and a tape cost of 12p a minute. It can also be pre-programmed to switch itself The main European rival is on and off five times during a the Philips N1700 which can ten-day period. However, Buckon and off five times during a master and Moore consider that the system is too newly developed to be attractive to rental

companies at present. Their report estimates total sales of video cassette recorders so far in the UK are about 58.000. By next December, they expect the figure to have more than doubled to 155,000 units. Of these, they expect more than 100,000 units will be

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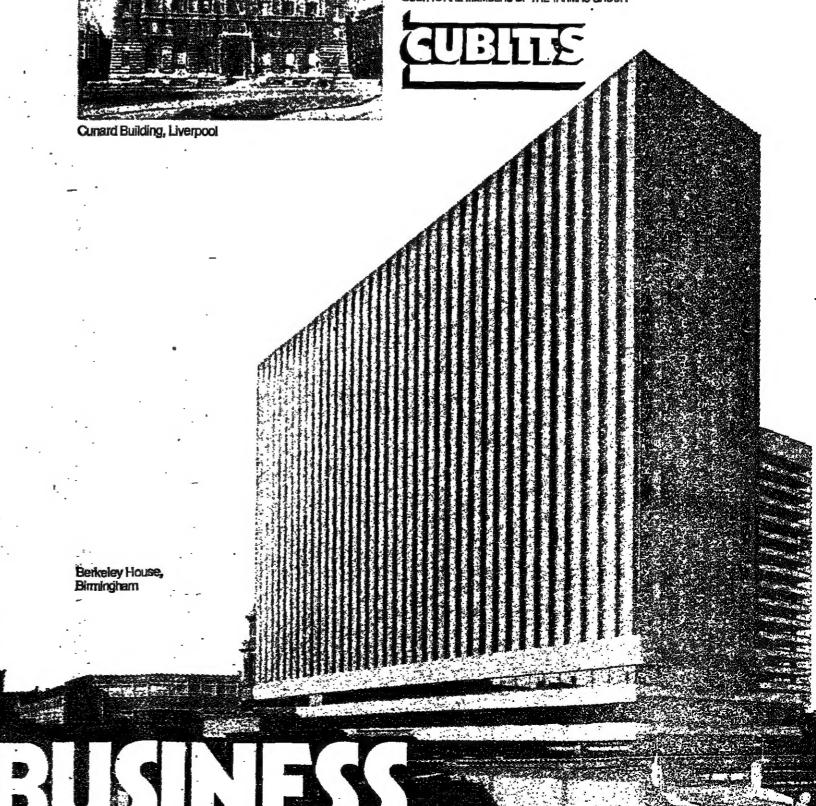
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Times, 10. Cannon Street, EC4P 4BY. LLOYD'S

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SUSSEX FURNITURE MANUFACTURING Company For Sale, with Turnover in excess of £400,000 and sood prents record, write to Box G.3080, Financial Times, 10 Cannon Street, ECAP 48Y.

Manual Provincial

plan wide campaign

BY ALAN PIKE, LABOUR CORRESPONDENT

THE NATIONAL UNION of Newspaper Society today.

Public Employees' executive has approved a programme of At the same time the union will be appealing against last week's High Court injunction ordering it to lift an instrucselective industrial action across a wide range of public-sector jobs to follow the national day of action on January 22. NUPE members among local authority manual workers, hospital ancillary staff and members in universities, waterworks and the ambulance service will

UK NEWS - LABOUR

be called upon to join the "The stage is now set for a major confrontation in the pub-lic sector unless the Government is prepared to move quickly and decisively to end low pay for the nation's underpaid workers," said Mr. Alan Fisher, NUPE general secre-

tary, yesterday.
The NUP executive NUPE endorsed rejection of pay offers within the 5 per cent guide-lines to local authority, hospital and university manual workers.

workers

on pay

By Alan Pike,

FINANCE FOR

THE SMALLER

For further information contact:
K. Deen,
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so invest in the lessure/enterminment industry. Return of capital, plus interest at 22% p.a. over 2 years. All funds will be held in trust by solicitors and only released against first merspage on substantial property in

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FIRST-CLASS REFERENCES

minimum capital of

NUPE is setting up a dispute fund to be launched with a major contribution" from the union's central finances, and supported by a 40p-a-week levy on members not involved in selective strikes.

The threatened strike action among local authority manual workers and elsewhere in the public sector is expected to dominate talks between Ministers and members of the TUC Economic Committee today. In spite of removal of sanctions from the Government's pay policy armoury, Ministers are determined to hold the line in the public sector where they have direct influence. There will be discussion on whether the idea of public-

sector pay comperability, suggested in the agreement on pay policy rejected by the TUC General Council, might be developed further.

Discussion

 Mr. Anthony Wedgwood Benn, Energy Secretary, is askthe Cabinet to take action to remove the anomalies between atomic energy workers at the United Kingdom Atomic Energy Authority and British Nuclear

Both groups of workers have rejected offers of 5 per cent, but unions representing the for a meeting with Mr. Benn to discuss the differences in pay between the two groups, which the unions estimate averages about £8 a week. Mr. Mick Martin, public ser-

vices' national secretary of the Transport and General Workers' Union, told Mr. Benn that if a satisfactory agreement was not reached there could be 'serious trouble " in country's nuclear plants.

The unions have claimed pay increases for craftsmen of 20 per cent, with pro rata increases for other grades, plus a reduction in the work ing week, extra holidays and other benefits.

Footwear workers to settle

By Our Labour Staff -BOOT AND shoe makers belonging to the National Union of Footwear, Leather and Allied Trades have accepted a pay and productivity offer worth 7.5 per

cent under stage four of the Government's pay policy. The union and the employers represented by the British Foot-wear Manufacturers' Federation. will meet separately today and are expected to ratify the deal, which both sides believe is within Government pay guide-

Adult workers will receive an overall increase of 7.5 per cent, including a self-financing productivity scheme estimated to give about 2.5 per cent. The deal will be backdated to September 1. The agreement is to run for

18 months, with cost-of-living in-creases next September and the following March. A further day's paid holiday will come into effect from next September. The deal will increase the industry's minimum rate from £38 to £42.50, payable at the

age of 18. The 50,000 footwear workers balloted on the offer, which the

Plessey men back at work

THIRTY maintenance electricians, who have been on strike for five weeks at Plessey's telecommunications plant in Edge Lane, Liverpool, over a manning issue, have returned to work.

: i

Management and workers have now settled the dispute. Production of telecommunications equipment was not seriously affected.

Press peace talks today

provincial journalists strike, now in its third week, will take place between the National Union of Journalists and the

tion to Express Newspaper journalists to black copy from Press Association news agency. The appeal is being supported by the TUC.

The Newspaper Society, which represents provincial employers, has offered increases worth nearly 9 per cent and says that it will resume negotiations if there is a return to work by the 9,000 strikers. However, the union is refusing to call off the strike as a conditions of resuming negotiations.

Today's talks will therefore be on a non-negotiatiting basis be tween representatives of each

Denis MacShane NUJ president, said after the in-formal talks had been agreed: This is a cautious step forward. We hope it will lead to proper negotiations. The proper negotiations." The union's dispute committee will be meeting later today toreview the outcome of the discussions

The NUJ said yesterday that 72 members of the National Graphical Association at the

with the employers.

ENFORMAL TALKS on the Kentish Times had been dis-morphical journalists strike, missed for refusing to handle material for two editions where district editors are on strike NGA members have been instructed to handle only editor's

material during the dispute. Journalists on the Daily Express yesterday rejected a motion to end the blacking of Press Association copy by 63-59. The chapel (office inion section) then voted to continue refuting to handle the material pending the diffeome of today's Court of Associations.

Appeal hearing.
At the start of the provincial journalists strike the NUJ-executive instructed staff at the PA to stop work and teld insubers on dational newspapers and in broadcasting not to handle material from the agency. In the High Court on

agency. In the High Court on Thursday Mr. Justice Lawson decided that the NUJ instruction was not covered by the clause of the Trade Union and Labour Relations. Act relating to sympathy action.

Times Newspapers management said last night that it had now sent dismissal notices to more than 3,000 of its employees. Another 1,200 staff, employees. Another 1,200 staff, who have signed new agree ments with the company are not being dismissed. Mr. Duke Russey, managing director, said last night that the two-week postponement of issuing notices had proved a fruitless con-cession which had cost flan-

Chemical engineers told 'join a trade union'

ALL MEMBERS of the Institution of Chemical Engineers have president, Mr. J. M. Solbett, suggesting that they join an appropriate trade union if they have not done so, Staff in the chemical and

advised to join the Associaton of Management and Professional Stars, and engineers to join the Engineers and Managers : Association. The president says that because neither association is established in chemical engineering contractings no specific

advice on union membership can be given to institution mem-bers working in that sector of industry.
The institution's central counmembership should be encour-

ticularly after the increase in legislation affecting industrial relations. Unions can now influence

Mr. Solbett says that the role

and effectiveness of professional engineers, the institution says. process industries are being Seven years ago the institu-tion's council suggested to members in private industry that they consider jaining a tinion and the recommendations reflect a hardening of that view. Engineers' and Managers' Association has told Mr. Ecic. Variey the Industry Secretary, that British Shipbullders must diversify into oil refluery work, coastal carrier building and consultancy work,

It also says that the Defence cll believes that trade union Ministry should assist British Shiphuilders to export more warships.

Leyland workers reject policies of 'job loss'

Lancashire plans rejected the company's proposals yesterday on investment and other strategies, which they claim could mean large-scale redun-dancies, and called for a meet-ing with the full BY board.

A mass meeting at Leyland of the truck and bus division workers unanimously supported the unions' alternative strategy, which is opposed to job losses in the division.

They approved a move to see the full BL board, chaired by Mr. Michael Edwardes. The Leyland Vehicles workers feel that the company's plans. could mean up to 900 redun-dancies in the next 12 months.

WORKERS at Leyland Vehicles' hoped to reduce the number of jobs at the Lancashire plants by natural wastage The work force was "not interested in any talk of job losses." Leviand Vehicles had been commercially viable, and

would continue to be. If investment was dut the division would not remain com-petitive. The trade unions recognised that the distsion faced fundamental problems, but believed that these could be properly met only if tackled in a bold way. Mr. Brindle said that if the

union side failed to get satisfaction from a meeting with the BL Board on the strategy for Leyland Vehicles, it would take Mr. Len Brindle, works con- its case to the venor, said that the company prise Board. its case to the National Enter-

Management chief wants unions to modernise

says Mr. Leslie Tolley, chairman Meanwhile, management could of the British Institute of minimise industrial and service Management.

"We need well-organised, objective and realistic trade unionism, and we must accept a properly balanced power of trade unions," he said. "But we will not get this while it is so easy for such power to be abused, and sometimes used against the national interest."

Speaking at the institute's Lincolnshire and South Humber-

FRADE UNIONS should be at plant rather than board level, encouraged by management to and introduction of incentive improve organisation and based economies, "would take modernise their constitutions, time."

disruption by organisation of companies and operations.

Accountants' unity call

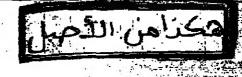
THE UK's six accountancy bodies should move towards balloted on the offer, which the union recommended. The union warned of severe hardship in the industry if the deal were rejected.

Lincolnshire and South Humber: eventual unity, Mr. Edmund side branch last night, Mr. Gibbs, president of the association of Certified Accountants, requirements he outlined told the association's annual including worker participation dinner last night.

> For advertising details please ring 01-248 8000 Extn. 7008

LOCAL AUTHORITY **BONDS**

Every Saturday the Financial Times publishes a table giving details of Local Authority Bonds on offer to the public.



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engineers

ie union'

Company to the last of the las

main sub-station, three electurbo-compressor installations. The equipment will include Swordflash ultra-violet flame detectors, smoke detectors and fixed temperature detectors

the main control complex, the

hacked by a total flood Halon extinguishing system. Graviner, which is a member of the Wilkinson Match Group, has its headquarters at 448, Basingstoke Road, Reading, Berks, RG2 0QD

The control box is a two-part tions, together with a top section 83301). containing the electronics. Modular construction reduces ASSEMBLY . When the pre-set gas limit is

a good

connection A PORTABLE machine weighing only 34 jbs can be carried and used on-site to swage connections to hydraulic hoses, but it is also suitable for immediate repairs to equipment fitted with other

hoses, says maker K. and B. Beattle (Engineers), Bedlington, Northumberland (0670-823241). utilises a one-piece coupling and

The Beattie swaging system can be used for hoses with a nominal internal diameter (rom 0.25 inches to 1 inch-and in

QUALITY CONTROL

Checks for roundness

A MACHINE with an integral micro-computer and polar recorder which provides for detailed analysis of roundness, The company has also introsquareness, flainess, parallelism and skew has been launched by C. E. Johansson, 56 High Street. Houghton Regis, Dunstable, Beds LU5 5BJ (Dunstable 68181).

هكذامنالأحل

travels at 5 kph towing 15 tons. It can be driven backwards or forwards from either the

cage or the wagon. No outriggers are required for any boom position and power points for electric and hydraulic tools are fitted in both

cage and wagon. The boom platform can track sideways while the cage is moving to pegotiate

overhead obstacles. Drive, hydraulic power and 230V DC current are supplied by a 54hp

diesel motor. When not in use the unit folds

down and can be hauled at normal speeds by

PHOTOGRAPHY

No need

darkroom

A DAYLIGHT film which will

not for nor suffer any other

damage from exposure to pormal

room lighting for up to 30

The Liter DL 510p contact film

dues not incorporate a coloured

filter layer to provide resistance

there will be no contamination

of the developer even when large

quantities need to be processed.

It can be processed using the

dish method or automatic pro-

The company says it is now

possible for contacts to be made

from line and screen negatives

or positives outside the darkroom

thus speeding up film production

darkroom facilities.

metal-hydroquinone developer.

Road, Brentford, Middlesex.

Turntable accuracy is ±0.001 shafts. mm, and automatic centring climinates the time consuming, seiting-up stage, says the maker.

Magnifications from 50X to

duced an instrument called the Intexometer for internal and external measurements of up to 215mm - and even beyond that appropriate extension

This has twin jaws, one spring This has twin jaws, one spring loaded whose deflection is registered on a Mikrokator dial indicator, the other lockable at

any position along a hardened and ground tubular shaft.

INSTRUMENTS Data from two shafts

separate shafts and provide alternative indications without external switching.
Where two measurements

we to be made the unit can offer significant cost saving compared with the installation of two separate channels, mechani-

Ratio measurement between the two inputs can also be

FITTED with two independent Inputs may be derived from transducer amplifiers, the DFM7 magnetic, inductive or photodigital tachometer from Control electric transducers. Amplifiers Ability is able to monitor two and power supplies are selfcontained and the unit operates from the mains or from 12 volts Able to operate over the tem-

perature range 0 to 60 deg. C, the DFM7 measures 96mm square by 150mm deep and weighs 125kg. Cambridge Street Works, Cam-

bridge Street, Great Harwood, made, and the results appear on Blackburn, Lancashire BB6 7BU trical sub-stations and four a bright 18min LED display. (0254 886685).

Detector in kit form

Inwest explosive concentration level with a leak detection system offered by ITT Controls or easy installation.

connections for the sensor, minutes is now available from Agfa-Gevaert, 27 Great West

> sonic thickness gauge from Panametrics to munitor corrusion by determining remaining wall

cessors, using 11th or contrast as fluck as 10 inches or as thin metal-hydroquinune developer. as 0.040 inches at temperatures up to 500 degrees C. This type of gauge is used for

applications where other thickness gauges have difficulty lands, DY4 SYB, 021-557 3056.

maintenance costs.

It gives readings on a large (0.4 inches) liquid-crystal display, which is easily read in rough, corroded and pitted parts bright sunlight. A back-light for the display makes it visible in intal darkness.

in-service inspection of pipelines, any material, from lead to steel storage tanks and pressure ves- and to Beryllium. This control English or metric units.

Teledictor. Coneygre Indust-

FLAMMABLE gases can be oxidised on the head's surface. detected at 20 per cent of the raises the temperature and produres a resistance change in the

tight and contains the electrical EASEEFA approved, the Pellistor sensor consists of a platinum wire encap- reached alarms can be sounded sulated inside a refractory head, and shut down of plant achieved.

TELEDICTOR has a new ultra- because of the geometry or tem-

Model 5228 can measure

sels subject to corrosion, often during operation. It also can he used to make measurements

trol allows easy calibration for can also be calibrated in either

wire which is a measure of the gas concentration.

(Maclaren Division) in kit form construction — a base for wall mounting and mains connec-The detector cylinder is mounted on a cast hevagonal enclosure which is certified gas

catalyst; the presence of a com-bustible gas, catalytically Glasgow C5 SJE (041-429 2191).

Ultrasonic thickness gauge to daylight, says the company, so

perature of the part.

A digital material velocity con-

GET INTO TELLY GUIDE



On Saturday 23 December, the Financial Times will be publishing an 8 page pull out Christmas supplement covering the 4 days of television and radio programmes.

With programme comments by Arthur Sandles and Chris Dunkley, it will be read by Britain's leading businessmen and their families in their homes.

It will be an ideal place for advertising anything from leather goods to perfumes, burglar alarms to New Year Sales.

For details of rates and space availability, ring Chris Manson on 01-248 8000 extension 7063.

EUROPE'S BUSINESS NEWSPAPER

Sending data fast

data rate required without extra

cost to the user.
This flexibility is reflected in

costs and it is generally antici-pated that users will pay a

monthly connection charge or

minimum rental, but that after

this, user costs will depend on

the volume of data sent through

the network and will generally be independent of distance.

This is extremely important where users need to transfer

relatively small amounts of in-

Quality of service will be much

higher, particularly important in data handling, and

in data hangans, while special quality leased

ines will achieve one error in 10m bits, for fast communication between computers, the rate should be one bit in a billion. That can be achieved in neal-little thin.

achieved in packet-switching by

including an error checker in

Further from Logica at 64

each packet of a message.

formation over long distances.

Financial Times Tuesday December 19 1978

and accurately AS DISTRIBUTED computing will still be cheaper for those AS DISTRIBUTED computing will still be cheaper for those grows—and it is growing very fast—so the effects of the the proper design of the community to exchange all the time, with the ordinary telephone networks used by the computing community become more far-reaching. Packet—switching the method by which all information sent over a network is split up into "bursts" of data in a fixed format, enabling the whole system to function without everlanding or intending the system is simplified by its ability to promit out of the community telephone networks scoring for light usage, there is still a wide area in between the packet switching offers advantages.

Communication between users of a packet switched system is simplified by its ability to promit out of the communication and the communication between users of a packet switched system is simplified by its ability to prowithout everloading or inordi-nate queueing, will indoubt-edly become one of the preferred systems for the vide asymmetric connection if the data rate in one direction greatly exceeds that in the other. Thus it adapts to the

COMMUNICATIONS

future. Of considerable significance to users and potential users of data transmission networks is the recently released report on packet switching by Logica, which draws attention to the fact that public packet switch-ing networks will offer users

large cost savings in certain In Britain, such a service is due to go live in 1980 and scr-vices already are available in the U.S. and Canada and are planned for Japan, while the French Transpac system should become available during 1979.

Leading users in various countries are setting up their own private networks, making use of public networks for part of their traffic. Citibank in the U.S., for instance, has set up a \$1.5m link system of its own, while in Holland, the Rijks-waterstagt is spending \$2.5m. Logica's analysis of charges Transpac one mentioned above Newman Street London WIA

shows that while private circuits 4SE. 01-580 8361:

METALWORKING Accuracy retained longer

GAUGE BLOCKS produced from can wear undersize to a three-to-tungsten carbide—as distinct six-month period in engineering from their "ordinary" steel counterparts—may demand an initially higher capital outlay.

plants which employ abrasive grits and grinding wheels.

By comparison, keys the company, tungsten carbide blocks have been used for two-to threeyet prove to have a lower effective cost over a longer service life, says Yorkshire. Precision Gauges, Hartfield, near Doncaster, DN7 60F (0302-840303). Despite the utmost care and eight times for a price two in cleanliness, steel gauge blocks three times that of steel.

Slitting and slotting

DESIGNED TO carry out slitting spaced, depending on the width or slotting operations of com- of cut required, or the type of or slotting operations of com- of cut required or the type of ponents which are usually difficuperation. For example, the two cult to locate and clamp — for blade method can be spaced to example steel or cast from remove a wide segment or pro- sleeves, callets, many and rolls vide a double plotting operation.

by Rivers Kasto.

The machine is, based on a standard proven Kasto model and clamp the components can be designed according to the shape or plus variable futting pressure, it size of the workpiece concerned is supplied complete with and can be manual or semi-integral periodicaling coolant automatic with hydrausic clamping in operation. The machine Rivers Machinery. Winnall,

can be equipped with one Winchester SO23 two saw-blades, suitably chester (19962) 60371. ELECTRONICS

the prototype board must have as many of the electrical and mechanical characteristics of the "real" board as possible.

An answer from TJB Asso-An answer from 138 Asso-clates of Haslemere is a kit which makes use of matrix drilled board such as Vero, a whipe pen utilising wire from which the insulation is removed at the sol-dering point by iron heat, and

Prototype board idea
THE NEED to translate initial felickin (or glue-on) wiring sup-

are fitted to the board and the strips inserted between them on the solder side. U-shaped with castellations for

designs into prototype boards as port and guidance strips which quickly as possible is still a problem for circuit designers with relatively small projects who cannot bring large scale CAD the length of the board at intertuction to bear.

The strips are assembled down the length of the board at intervals commensurate with the components (usually ICs); the latter the prototype hourd must have

U-shaped with castellations for wire side entry, the strips can accommodate a large number of wires in a low profile.

Unit 16, Blackdown Rural Industries, Haste Hill, Haslemere, Surrey, GU27 3AY (0428 52445).

RESEARCH

Animal feed from sewage

Custers Hydraulics, part of the SGB Group, has designed and built this self-propelled

hydraulic access platform for railway mainten-ance work. It has entered service on the railways in Belgium and is being used for ser-

vicing overhead electric cables and bridge repairs. It raises a payload of 265 kg to a maximum height of 13.5 metres with an out-

reach of 8.5 metres. The boom system rotates

225 degrees clockwise or anti-clockwise and the

work cage rotates independently 90 degrees in

either direction. Under its own power it

More power for cleaners

FOR THE first time in 17 years, is reduced by 8 to 10 per cent, a Danish company which claims but after a suitable cooling time, to be the largest manufacturer the valve can be pushed closed

Constantly aware that the

cleaners do much service in hos-

pany claims that 65 per cent of

equipment), noise level of the

new range has been kept down

despite its highly increased

Dust capacity has also been substantially increased because

of a larger filter area and extra

space in the lower part of the

Although generally used in

conventional industrial loca-

tions, more unusual applications

for the cleaners are their opera-

tion in reptile houses and col-

BALED METAL scrap should dumps of materials can be and reducing the workload on

arranged in order to increase the size of the finished bale

of a bale of good appearance and

Presses can be designed with

quality, says the company,

Metal is carried forward into the pressure area by the gathering ram, and the application of

suction power.

container.

ing to let in cooling air. While lecting gold dust lost in proces-

Bolton two rains at right angles to each in order to produce regular other succeeds in the production

into a gathering hopper.

A pivoting lid actuated by dependent upon the feed of hydraulic rum and cylinder com-material, and the bales generally

of producing a certain cross section. Length will be amount of precompression, and controlled by the setting of the

the valve is open, suction power sing false teeth.

Press speeds up baling

nital environments (the com-

MAINTENANCE

of industrial suction cleaning again.

equipment, has launched a new

for more power, says the UK subsidiary of Nilfisk, Newmarket

Road, Bury St. Edmunds, Suf-folk (0284-63163). A change in

turbine design—giving an increase in suction power of 50

per cent-satisfies this particu-

lar requirement, says the com-pany, but many other criteria

production of the new machines.

get too hot, a patented thermo-

valve works in conjunction with

an opening in the turbine bous-

cost less to transport from site, and command higher prices in the scrap market, if processed with its 2HSL90 range of presses, says Planters of Nelson Street,

sized bales, a weigh device is incorporated into the feed

system which discharges directly

presses the material into the

baling chamber. This has the

@ HANDLING

Novdamage can arise due to

blocked up suction opening

been considered in the

Customers are always looking

Israel Institute of Technology sewage is allowed to "meander" in a 500 mm deep channel while exposed to intense sunlight.

The process encourages the growth of algae which release

large volumes of oxygen, oxidising any organic matter quickly and efficiently.

Several advantages are claimed, for example, the nutrients in the sewage are removed because they are incorporated in the algae; they do not the organic than the pay into the therefore find their way into the rivers and lakes ultimately receiving the purified sewage, and so the latter do not them-

weigh scale and the rote of feed.

growth.
It is claimed that the water produced is of very high quality, suitable for almost any irriga-A bonus is that the algae con

be harvested, dried and used as animal feed. They contain 40 to 50 per cent protein and yields of up to 60 tons of dry matter per acre of pond area have been obtained. The material ran replace either soy meal or fish mal in feed mixes, costing about the same as the former but substantially less than the latter. Technion—Israel Institute of echnology, Technion City, Haifa, Israel.

. IN THE OFFICE

Makes it easier to answer

machine which, although it is no more expensive to rent than the previous model 6, offers a number of convenient features.

Exchangeable opening an-nouncement cartridges of 30 seconds to three minutes duration can be provided so that the user can build up a library to meet changing situations — although a single cartridge can be over-recorded with a revised announcement if desired.

INTRODUCED by Ansatone is lid on top of the machine: They the model '6A answering can be played back in sku, or the cassette played on another machine while the 6A continues to take new messages. The caller can speak for as long as he likes -there is no cut-off after a fixed

> is provided by which the user can speak "live" to a caller and then pass him to the machine if appropriate. The 6A can be used for dicta-

tion when not on line.

More from 19 Upper Brook Street, London W1Y 2HS (01-629

Terminal for telex

LATEST version of the ZIP-ASR terminal from Data Dynamics has been designed for operation on telex circuits throughout the world—a relatively simple mat-ter for the company because the unit is controlled by a micro-

Incorporating a call control unit for "push button" dialling, the machine also has an integral

board and the absence of any seus broadcasts.

need to depress figure and letter shift keys as with the normal three row telex keyboard: the machine has four rows and all the conversion to five level code is performed by the miero.

Springfield Road, Middx. (01-848 9781).

ent chief W.

modernise

Deutsche Bank Aktiengesellschaft Swiss Bank Corporation (Overseas) Limited

The incoming messages are recorded on C50 and C90 cassettes which fit under a hinged

five level paper punch and reader which can be turned on and off manually or by coded signals received from line. Messages can be punched on to tape with the machine in the "local" mode and then sent online as in standard telex practice. The company believes that operators will appreciate the nigh quality typewriter-style key- as source material for its over-

Print head is the company's standard 7 x 5 dof matrix, with locally prepared messages appearing in red and those from

Financial Times and the BBC. information from The Technical Page is available for use by the Corporation's External Services

This announcement appears as a matter of record only.

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December 19, 1978.

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survey and exploration origing in order to agree insurance and indemnity clauses.

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expenses where appropriate, enhance this attractive package Please write or telephone for an application form quoting

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PA Personnel Services



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great potential. We are a publicly quoted company, based in London, with 22 subsidiaries in the leisure and distribution

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Financial Times tuesuay APPOINTMENTS

REINSURANCE | Lloyd's Register of Shipping

Sir Benry Mance has been elected a deputy chairman and treasurer of LLOYD'S REGISTER OF SHIPPING in successions. sion to Mr. J. N. S. Ridgers, who retires on January 1. Sir Henry has followed a distinguished career in underwriting and was elected chairman of Lloyd's Underwriters' Association in 1965 and 1966, member of the committee of Lloyd's from 1966 to 1973 deputy chairman in 1967 and 1968 and for four consecutive years from 1969, he was chairman of Lloyd's Register's nember of Lloyd's Register's security promitted and was general committee and was recently elected to Lloyd's Register's executive Board.

executive board. The committee of LLOYD'S UNDERWRITERS' NON-MARINE ASSOCIATION for 1979-will be: Mr. E. E. Nelson (chairman); Mr. M. S. Freeman Cockell (honorary treasurer); Mr. R. Ballantyne; Mr. F. Barber; Mr. R. Ballantyne; mr. F. Barber,
Nr. D. J. Barbam; Mr. P. L.
Foden-Pattinson; Mr. A. B. Gray;
Nr. D. E. Harman: Mr. R. D.
Hazell; Mr. W. N. M. Lawrence;
Mr. C. K. Murray; Mr. H. R.
Rokehy-Johnson; Mr. C. R. A.
Skey; Mr. C. J. Smith; Mr. J. R. S. Ware, together with the chairman and deputy chairmen of Lloyd's (ex officio).

Mr. John Walten, who was seconded to AMALGAMATED METAL CORPORATION by Pagno NV as chief executive, has decided to rejoin the Patino has decided to rejoin the Patino group in Canada. Mr. Walton will retire at an AMC board meeting to be held on January 22, when Mr. Joerg Stegmann will be appointed to succeed him as chief executive. Mr. Stegmann, who is already a director of AMC is a member of the executive board of Preussag AT. AG, which now holds 76.7 per cent of the issued ordinary shares of AMC.

Western Region of BRITISH RAIL has appointed a new chief finance officer, Mr. Alan Lee, who joins the Begion from British Railways Board HQ Mr. Lee takes over from Mr. A. J. Nicholls who bas moved to London Midland Region

Mr. David R. Butcher has been named marketing manager, inter-national employee benefits, for the life insurance companies of AMERICAN INTERNATIONAL GROUP, INC. He will also serve as UK marketing manager of American Life Insurance Company's specialty division. American Life is a member of Ameri-Interantional Group, Inc.

John Tarrant has been promoted to technical director Comb from works manager of UNI-VERSAL PACKAGING the duced Lonsdale Universal dexible Toys.

appointed joint managing direc-packaging manufacturer in

Lord Swansea states that he has not yet agreed to take up an appointment as a director and deputy chairman of WELSH deputy chairman MEAT HOLDINGS.

MANSFIELD BREWERY COM-PANY announces the appointment of Mr. V. M. Phillips as company secretary from January 1 on the retirement of Mr. Frederick A. Geadell.

At the IMPERIAL LIPE ASSURANCE COMPANY OF CANADA Mr. R. H. A. Wain becomes assistant general manager for Great British from

Mr. L. Harelgrove has been appointed European marketing manager for NATIONAL SEMI-CONDUCTOR computer products group Europe. He is responsible for both OEM sales of IBM—compatible products and European headquarters product marketing. He joined National Semi-conductor from Data General,

Mr. Jeremy Briggs has become managing director of Hattersley Heaton, a new company formed to manufacture and market ex-clusively the Pegier Hattersley ciusively the Pegler Hattersley Group's cast and forged steel vaives to the oil and petrochemical industry. Mr. Briggs was previously manufacturing director of sister company, Hattersley Newman Hender His management team comprises Mr. Neil Howard who becomes engineering director. Mr. M. Humphries, who is appointed finance and administration director; Mr. R. Sedgwick who becomes sales director and Mr. Brian Smith who is appointed manufacturing director.

Mr. C. P. J. Van der Wasis and Mr. W. B. Wright have been appointed directors of FRAMES appointed directors of Education TOURS. Mr. J. B. H. Coupland has been appointed chairman of FRAMES TRAVEL (GATWICK), and Mr. A. G. Beron, Mr. D. O. G. Levell, Mr. A. W Saunders and Mr. Van der Waals have Been

DUNBEE COMBEX - MARX announces that Mr. A. Nanghton, who has been the managing director of DCM's Australian subsidiary—Lidrana Pty.—is returning to the UK as managing director of COMBEX from January 1. Mr. Alex Mair, currently the safes director of Jean Sorelle, has been appointed deputy managing director of that deputy managing director of that company from January 1, 1979. Mr. Ralph Stevens will oversee the operation of the two com-panies and will also control, via Combex, the marketing and dis-tribution of the Russian pro-duced items, contracted by Nuvo

Changes at Barclays **Bank International**

Three senior directors of tox of DHN JAMES HAWLEY BARCLAYS BANK INTER (SPECIALITY WORKS), manuscript Mr. Harry F. factorers of frame tests, camping oppeahelmer, Mr. Arthor S. equipment, garden furniture and Alken and Lord Seebohm, will saddler; products saddler the retire at the annual meeting in brand name of Lichbeld."

February having all reached the Alken and Lord Seebohn, will retire at the annual meeting in February having all reached the February having all reached the age of 70 at about the same time. Following the acquisition by Following the decision to Dobson Park industries of a stake separate the offices of chairman in the equity of an American of the Barclays Group and of company. WESTERN STAMP-Barclays Bank International Mr. ING, of Jackson, Michigan, it has Anthony F. Take, the group been announced that Mr. chairman, will hand over chair Geoffrey J. Chilipett (a Dobson manship of the international Park main board member) has bank at the annual meeting to been appointed chairman of the Mr. Henry Lambert, a vice-chairman of Barclays Bank and a director of Barclays Bank International. Mr. Tuke will thereafter continue as a director of the international bank.

Mr. J. R. Davidson has been appointed director and general manager of the manufacturing division of G. E. A. AIR-EXCHANGERS. Bangor,
Northern Ireland. He comes
from Robert Jenkins and Co.,
Rotherham, where he was
director and general manager.

Mr. A. Barrett has been appointed senior local director at BARCLAY BANK'S Luton local head office and a director of Barclays Bank UK manage-

Mr. Roger Gates, currently chief engineer, and Mr. Christopher Senior, currently co-Caristopher Senior, currently ordinator of overseas operations, have been appointed to the Board of the RUGBY PORTLAND CEMENT. COMPANY, from January 1.

Mr. John Brandon has been Mr. John Brandon has been made managing director of TERRAPIN RESKA, the library product provision and installation subsidiary of the Terrapin International Group. Mr. Athol Lonic, managing director of the division since 1971, is relinquishing the position to concentrate on group main Board duties, but will remain chairman.

CHARGES CLIFFORD IN DUSTRIES amounces that Mr. Basil Ancott has been appointed a director following the resigna-tion of Mr. Derek Jones.

Derek Crouch has announced the formation of a new company.

—DEREK CROUCH (CONTRAC TORS)—to deal with its mining. and civil engineering operations and cays gogineering operations in the north-east of England and in South Wales. Chairman of the new company, which comes into being as Japuary 1, will be Mr. John L. Durin, who is chief-executive of Derek Crouch (the holding company for the Group), holding company for the Group), Managing director will be Mr. H. S. Lister and the other directors, Mr. S. Exchy, Mr. Edwin Wild and Mr. Albert Thew. Mr. Edwind Grabant has been named company secretary:

board of the new company and that Mr. Peter Crook (managing director of Byron International) has been appointed executive vice-president

The Secretary of State for the Environment, and the Secretaries of State for Scotland and Wales, have appointed Mr. Idwal Symonds and Mr. John Edmonds, to be members of the board of the NATIONAL BUILDING

Mr. Robert J. Jones has been servation projects, in the marketing division of BRITISH GAS. He has been involved in energy conservation activities with the Department of Energy the Advisory Council for Energy Conservation and the Royal Institute of British Architects.

Dr. Norman Welsh, director of research and development at Gillette's Reading technical establishment, has been appointed a director of GILLETTE INDUSTRIES.

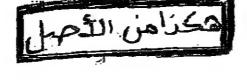
Chairman of THE BOOTS COMPANY Dr. Gordon Hobday has been appointed Chancellor of Nottingham University.

Mr. F. Crisp, since 1974
manager of the Lyons branch
of INTERNATIONAL WESTMINSTER BANK, a wholly-owned
subsidiary of Barional Westminister Bank, has been
appointed Nativest's Moscow
representative. He succeeds
Mr. W. Creswell, who is returning to the US.

Mr. Neville Taylor, director of information at the Department of Environment since 1974, has been appeinted director of information at the DEPART-MENT OF HEALTH AND SOCIAL SECURITY. He succeeds for John Groves, the newly appointed director general of the Contral Office of of the Central Office of Information

Mr. Derek Coulson has been appointed managing director of GOWRINGS LESSURE, the Maidcubead-based division of the Goweing Group.

Wild and Mr. Albert Thew. Mr. William R. Adamson has been named decome assistant director (operations) for the MANCHESTER INTERNATIONAL AIRPORT AUTHORITY



THE MANAGEMENT PAGE

JUST over a year ago, the National Enterprise Board made one of its most controversial nose of Trafalgar House, it bid for the engineering companies in the Fairey group; whose air-craft division had just collapsed. throwing the whole concern into receivership,

[WENTS]

Register ping

Critics in the Conservative Party and the thwarfed Trafalgar House challenged the logic of pouring public money into an acquisition which the private sector wanted while those who believed that the NEB has some strategic role to fulfill in industry were at a loss to explain this one.

A year later. Fairey Holdings,as it was rehamed, has done nothing visibly to demonstrate that it was an essential NEB buy. It has been in the news mainly for closing Tress Engineering a subsidiary in the North East, thus confirming the views of those who complain that the NEB is a far cry from the socialist principles that gave

In the first half of the year, it was not even particularly profitable. As a result of the closure of Tress—which made valves and gauges-it had to make a £2.2m provision before its interim profit was struck; thus it was substantially less than the £3.2m before tax erroneously referred to recently by Mr. Gerald Kaufman, the Minister of State for Industry.

Freedom

At this point, the question might well be asked why the NEB was so keen to pay £20.5m for an assortment of engineering companies, which had almost nothing in common epart from their name. The fact that Fairey has been given a freedom by the NEB very shareholders will strengthen the view of those other critics of the NEB who say that it does nothing that the private sector cannot do equally well. But the plans the board of Fairey Holdings have for the group suggest that-if come off-there may well have been-some rationale in the NEB's purchase; and not least in that it will be in possession of a thriving engineering con-

Fairey needed a breathing job. The memorandum of space. The problems of the understanding between Fairey group's aircraft division, which and the NEB requires that finally brought about the collapse of the whole group, disposals be discussed with the had denied the engineering com- NEB, and Mr. Mutray decided panies both the direction and

it Barclay

rnational



Fairey's safe haven under the NEB promises to pay off

affected, is one of four trade unionists on the Board of the

NEB, there could hardly be a

better demonstration that Fairey

is being run on normal com-

If there is a constraint in

having the NEB as your share-

holder. Mr. Murray says it is

that the companies are much

more in the political glare. In

the last year, the factories have

been inundated with official

visits, including those by the

Prime Minister, the Industry

Secretary and on Industry Mini-

ster. Whatever move Fairey

Constraint

Mr. Kenneth Bacon, also an unemployment. outside appointment, as chief proposal was submitted by the executive. New board members Board of Fairey, and It took have been appointed by Mr. about a month for the NEB to Murray, with a bigs in favour give its backing. Considering of non-executive directors with that Mr. Hugh Scanlon, whose much akin to having private experience in engineering or in AUEW was the union most Fairey's customer industries.

The NEB asks Fairey to submit monthly accounts, which are incorporated into the NEB's accounts, and are used as a basis of ligison between Fairey and the NEB. It also asks for a forward profit plan, and a corporate plan, the first of which has just been submitted.

These requirements apart, the Fairey management has been left largely to get on with the "significant" acquisitions and from the start to cut out the the finance which they needed "significant" and consult what to expand, and in some cases ever the size. His theory & that to survive.

The NEB spointed Mr. any surprises on the NEB there the private sector.

Angus Murray, who had helped is unlikely to be any friction. But there has been no sign to turn -round; the Redman. The best example of Fairey of any NEB pressure on Fairey

sector. As well as closing Tress, Fairey Holdings recently sold a marina on the River Hamble to a Dutch company for about film, and the sale of other Fairey already has a techinterests peripheral to the main nological lead, they can be hody of the group can be expected in due course.

The group's strengths are in. the areas of hydraulies, which grew out of the old Fairey aircraft activities, and filtration equipment, which sprang from hydraulics. Fairey Hydraulics has been a supplier to almost every European aircraft project, and has high hopes of getting orders for the new Boeing 757 project. This could mean orders anything between £500,000 and £5m a year.

As with the acrospace industry itself, the way ahead for aircraft components lies in larger companies—both through acquisition and collaboration. planned by Fairey. Fairey Holdings has almost no borrowings at present, but if it is to make sizeable acquisitions, it is clearly going to need some. The Board is awaiting guidance from the NEB un the sort of gearing ratio Heenan organisation, to be deciding its own course was to rescue ailing companies or to it ought to have. It is likely to chairman of Faircy. He was over Tress, where over 300 jobs behave in any different way borrow from banks or the NEB

joined in the late summer by had to go in an area of high from a company in the private -the banks' rates make them marginally the favourite.

Mr. Murray emphasises that acquisitions will not be made for their own sake, "but where

Fairey Filtration, which supplies filtration equipment to industry, is particularly successful and is seen as probably the most promising growth area, and also a base for acquisitions. Like hydraulies, it achieves a high per contage of exports. But Fairey is looking for overseas manufacturing facilities as well, with the U.S. bigh on the

Fairey Engineering, based at Stockport, continues to be the group's main breadwinner. Its activities are divided between military products, where it is best known for its medium Both means to growth are being girder bridges, and nuclear ment to develop its strengths, planned by Fairey. Fairey Hold-engineering. Both of these while being allowed to hive off areas are doing reasonably well, but Mr. Murray does not see either as a growth market. He is concerned therefore to add completely new activity to its future, which must mean an

Fairey Holdings' cash requirements in the near future will in supplied a safe haven for cess industries surveyed by not be limited to acquisitions. Fairey, it might then do well to Asset Control, footwear had the Faircy group did not crash of it at a tidy profit to the —27 days—and at the long end suddenly. They had been siphon-taxpayer.

engineering division for quite a long time. Mr. Murray believes that knowledge of this fact was the main reason why the group's employees did not object to the Tress closure — apart from those at Tress itself - because they had no wish to see their companies pouring cash into Newcastle in the way that had already happened in Belgium, where the aircraft factories

There is a definite need to catch up on the backlog of capital investment if the group to maintain its solid reputation in engineering. Although that reputation received something of a dent with the build-up of the early AGR nuclear power stations. Mr. Murray says the problems that were encountered were not of Fairey's making. He is hopeful that Fairey Nuclear will get

contracts on the two new AGRs to be announced before long. quickly over the past year in order to keep up Fairey's reputation. Buying companies from a receiver, even if it was not those companies which landed the group into that position,

means that the new owner has to act fast to maintain confidence. On this score, certainly, the NEB has done well as any alternative purchaser.

The NEB's guidelines on Fairey's return of assets require that it should be in "the upper quartile of quoted engineering companies." It is unclear what that means in terms of actual figures but with the closure of the Tress lossmaker, Mr. Bacun says all parts of the group are making returns of between 20 and 40 per cent, depending on the company (Fairey Filtration. for example, would be at the upper end). This compares with guidelines laid down by Parliament for the NEB as a whole of a 15-20 per cent return. encluding its inherited problem companies, and the 10 per cent schieved by the Enterprise Board in the first half of this

It is introssible to predic what would have happened if Fairey had been sold to Trafalgar House last year; it was only that group and the NEB which were prepared to buy up all the companies. All the other blds -and there were around 150were for various parts.

What the Fairey group has gained from one year under the NEB is the time and encourageor close down those parts which were not central to its goal. From the NEB's point of view, it has gained a stake in a specialised engineering area. But Faircy Engineering to ensure perhaps more to the point, at the current rate of return, it roughly three years' time. Hav- the other manufacturing or prothe aviation interests of the old think of boating off some or all

The credit brouhaha -a case of

REAL ALE buffs may be pleased to hear that Adnams, Shepherd Neame and Youngs are getting better at it. They may however raise their eyebrows when they learn that Ruddles is getting worse, but afford themselves a smile when they hear that, the prime opponent of yore. Watney's is also getting worse.

But before these beer bibbers return to the bar with their prejudices reinforced they should be warned this is not a matter of finings or hops, or of top pressure and kegs. It is the less esoteric but nevertheless thorny problem of credit control.

According to published this week, some of the small brewers are showing a notable ability to cut the number of days credit they give their customers.

While a number of the smaller brewers are improving their credit control, the big brewers appear not to have been able to make the same gains. There has been no change in the number of days credit outstanding among such big names as Allied. Bass Charrington. Courage and Whitbread over the last three years according to a study by Asset Control, a new cash management consultancy,

which was launched yesterday. But there were some quite major extensions of credit time offered by Watney (West London) and Scottish and New-

This is not a definitive guide to the efficiency of the cash management of these brewers hut in part reflects the different nature of their trade. The small brewers generally have shorter credit times because they have a higher percentage of managed houses. which is a cash business.

On the other hand, the big brewers have a higher clement of non-cash business; tied houses and free trade. And it is because some of the brewers have been trying to increase free trade sales (free houses, off licences and supermarkets) that their credit times have lengthened, according to Michael Bird, managing partner of Asset Control.

The average length of credit for the browing industry is 38 days, according to the study, which compares favourably with an average for all manufacwill have recouped its outlay in turing industry of 62 days. Of snortest average length of credit was too much trouble to reclaim.

(average 97 days) and electronics (100 days). Worst of all were pump manufacturers (104

days). One of the laxest sectors is the engineering industry, which is, on average, granting 92 days credit to its customers. figures improved slightly last year after the disastrous experiences of 1974-75," notes the survey, "but all the evidence shows of British industry."

The survey calculates that as the 600 engineering companies which it surveyed had a total turnover of £2.738m, a reduction of just one day's credit would give them a once-and-for-all cash payment of £7.5m.

Extending this argument, Asset Control goes on to say that if the engineering industry as a whole could reduce its credit times by 30 days, to what is now the average manufacture ing length of 62, it would benefit by a saving of £200m, plus an extra £39m in reduced interest

These figures, based on in terest charges of 1 per cent over base rate are approximate, says Asset Control, because the survey was based on gross figures. it proved impossible to extract cash and export sales from each company involved." There should be a large caveat on the amounts which Asset Control says the engineering industry can save, because it assumes that while it may be getting strict with its debtors its creditors are also not getting lough - inevitable within such an industry where there is con-

siderable inter-trading. As an example of what can be chleved, Asset Control explain that ICI reduced the length of credit to its UK customers by 10 days in order to increase working capital to finance stocks and debtors. "By reducing the trading terms they estimated they would be releasing at least £25m," notes Asset Control.

The consultants emphasise the need for efficiency in the accounting system and wryly note that while all systems are prone to "slippage," accounting most. In addition it warns that is a godsend to a company to be incorrectly invoiced as it then has reason to delay payments by many weeks.

As for offering discounts for prompt payment, Asset Controls Survey found that most companies took it whether or not It had been earned, and that it Jason Crisp

REPORT TO INVESTORS from a company called TRW

TRW Has Record Third Quarter

		1978 1977
	THIRD QUARTER	
	Sales\$	927/9 \$ 797.3
i	Pre-Tax Profit	78.5 70.8
1	Net Earnings	47.2 36.4
	Earnings Per Share Fully Diluted	1.15
1	Pilmary	1.31
Į	Dividends Faid Per Common Share	.45 .40
	NINE MONTHS	
1	Sales	2.754 7 2.3998
ł	Pre-Tax Profit	238.4 2. 216.4

(U.S. dollar amounts in millions except for per share data)

FINANCIAL HIGHLIGHTS

Net Earnings Earnings Per Share
Fully Diluted Pnmary Dividends Paid Per Common Share . . . Outstanding Commom Stock 28,400,000: 28,113,000 Shares Used in Computing Per



TRW scientists are working with fiber optics for a variety of applications including their application to distributed data processing for retail and financial markets and using them experimentally in telephone communications systems.

TRW Inc., a major international supplier of high-technology products and services to worldwide markets, reported record third quarter and nine month results.

Third quarter sales rose 16% to \$927.9 million, compared with \$797.3 million a year ago. Net earnings increased 16% to \$42.2 million, versus \$36.4 million in 1977's third quarter. Fully diluted earnings per share totaled \$1.15 versus \$1.00 in 1977 while primary earnings per share were \$1.31 compared with \$1.12.

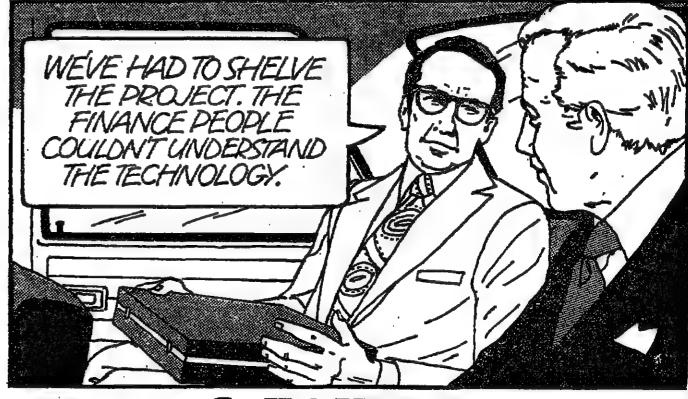
For the nine months TRW posted a sales increase of 15% to \$2.754.7 million, compared with \$2,399.8 million. Net earnings rose 13%. reaching \$124.9 million versus \$110.6 million for the first nine months of 1977. Fully diluted earnings per share totaled \$3.40 versus \$3.02 in the year-ago period while primary earnings per share were \$3.89 compared with \$3.41.

Each of TRW's three business segments - electronics and space systems, car and truck, and industrial and energy-reported sales and operating profit gains for the third quarter and nine months. These gains resulted from continued growth in demand for TRW's diversified products and services, introduction of new products and services, and productivity improvements.

TRW directors declared a quarterly

dividend of \$.45 per share on common shares, payable December 15, 1978. This will be the company's 161st consecutive dividend declared on TRW common shares. For further information, please

write for a copy of our latest quarterly report: TRW Europe Inc. 25 St. James's Street London SW1A 1HA



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Finance for innovation

Lies, damn'd lies and forecasts

BY SAMUEL BRITTAN

share prices or exchange rates, forecasting services not yet dis-or whatever it is, how comes cussed? These are described they are having to sell their by the Singer treasurer as forecasts for a living?" question is only half fair. But decision rules such as can be the usual complex answer only derived from momentum models half satisfactory; and it is —the chartist approach." These impossible to dismiss an worked on a buy-or-sell basis analysis of the actual success of rather than a specific forecast. exchange rate forecasts on the They did very much better than first half of 1978 in the December issue of Euromoney by Mr. blind reliance on the forward Stephen H. Goodman, the direc- market, providing in the period tor of treasury planning at the an average "speculative return Singer Company.

The conclusion is given away in the title "No Better than the Toss of a Coin," but it is worth investigating further. Exchange rate forecasting has mushroomed with the spread of dirty floating" and Mr. Goodman estimates that 25 services are available. To begin with, he discarded those which were not governed by a replicative formal model or decision rule" on the grounds that they merely reflected "the subjective judgment of a potenchanging group of duals. This left 13 Individuals." This left 13 profits of England services, of which four dropped out because insufficient data authors freely admit, the fact that forward exchange rates are individuals. were available.

Methods

Of the remaining nine, some six used econometric or "number crunching" methods to provide a specific forecast. Evaluation is itself a conprocedure partly troversial because the alternative to using the forecast has to be specified. The first test was simply whether the exchange rate moved in the forecast direction or not. The average score for a three-monthly forecast was 50 per cent-equivalent to the coin toss. By comparison, use of the forward exchange rate would have been right some 58 per cent of the time.

whether the actual rate predicted was nearer to the truth than the three months forward their forecasts and move market quotation: and the result was rates immediately in the direcagain 50 per cent of the time tion indicated, with nothing furin other words no better, no ther to go for. If on the other worse. He also has a more hand all the forecasters were complex calculation of the indisputably useless they could per cent compared with 2.86 this limited sense partly by the per cent if one followed the activities of the analysis, with-forward market mechanically out whom they would be more (in each case a certain simplify- erratic and volatile than they ing assumption).

black and white.

BBC 1

5.06 John Craven's News-

8.10 Dalles. 9.00 Nine O'clock News. † Indicates programme in

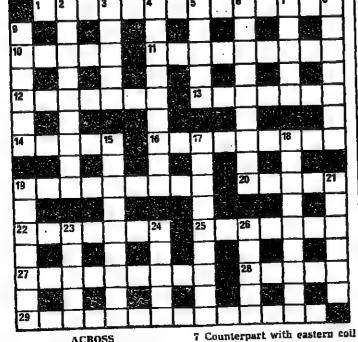
12,45 pm Midday News. 1.00 Pebble Mill. 1.45 How Do You Do? 3.20 Pobol Y Cum. 3.53 Regional News for England texcept News for England texcept London 1. 3.55 Play School 4.20 Deputy Dawg. 4.25 Jackanory Writing Competition. 4.40 Screen

News and Weather for Wales.

Scotland 5.55 pm Reporting Scotland 6.50-7.20 Songs of Scotland: Film journey from Aberdeen to the Clyde. 1L10 Tuesday Night.

South-East).

F.T. CROSSWORD PUZZLE No. 3,852



ACROSS I Inn and what it may sell to English drinker initially, munity (6. SI

10 Grey like bird may be (5)

original settler (7)

13 Telephone wrongly etc., using 18 Leading article I tailored peculiar speech (7)

16 Old soldier with one shot at front, was 19 across (9)

19 Strait-laced and put in car I mended (9)
20 Plunge round head of river

and impel (5) 22 Match the devil! (7)

television is disgusting (7) in cavern (9) 28 Upset dingy and could be

perishing (5)
29 Former fairy people agree on a trial basis (14)

DOWN

2 ln revolt on gun-carrier but may recover (9) 3 Row right for a large ship (5)

4 Spiteful woman a mother managed in a bout (9) 5 Carry on a lawsuit involving soft metal (5)

6 Caught in the very act, having

How about the three other relying on technically oriented either the economic forecasts or on capital at risk" of between 7 and 101 per cent.

This superior performance of the chartists fits in with some highbrow findings of the Bank of England economists (Some Recent Evidence of Short Run Exchange Rate Behaviour, by W. A. Allen and C. A. Emoch, Manchester School, December, 1978), based on sterling rather than the dollar, and on the year 1976. Their conclusion is that foreign exchange markets are not efficient in the sense of theoretical eliminating all possibilities of speculative

profits. imperfect forecasts of future spot rates does not mean that either central banks or private forecasters will do any better.

The correct hypothesis about market rates is not that they are always "correct" in some definable sense, but that it is very difficult to do better by any formst process. What would an intelligent guess be for the track record of forecasters having to earn a living in the markets? Surely it is that they would be on the margin of being helpful-with perhaps one or two doing better than the forward markets, but with no real confidence that the same one or two would continue to do better in future.

For if there were a conclusive ent or the time. tendency for an identifiable Mr. Goodman also tested group of forecasters to outperform the market, financial operators would rush to obtain speculative return to capital hardly continue in business. This averaged 1.12 Markets are made efficient in

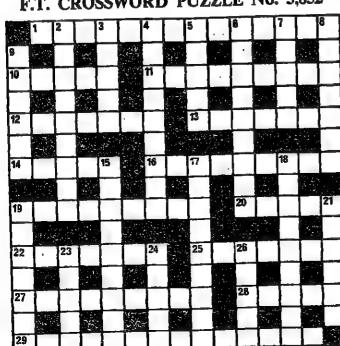
6.50 Nationwide. 7.20 James Burko's Connections. land.

9.25 Thank You Comrades by Jim Hawkins. Based on

real events in Russia and America. 19.25 Sportsnight Special. All Regional programmes as BBC-i except at the following

Wales 5.55 pm Wales Today. 6.50 Heddiw. 7.16 Pobol Y Cym. 7.40 It Ain't Half Hot Mum. 11.50

round. 5.10 Jackanory Playhouse. 5.40 Evenius News. 5.55 Nationwide (London and



being interested in the com-

11 Wherein one may work and cian in auction (6) walk continuously but get 15 Trick right for a mechanic 12 Religious person left ghastly 17 Indifference of a French com-

19 Dined under tree having lobes 14 One more insignificant film

21 For example, the engineers 23 Chopped into pieces and deeply afflicted (3, 2)

24 Province of genuine French-26 Country mentioned in certain 25 Doctor returning in snow on 27 Pressure-cooker from car left

Solution to Puzzle No. 3.851 DONKEY BAWTER AREMELL CORRE

2 Did admit stringed instru-

ment could be made thinner

9 Specimen provided by politi-

projecting from one centre

rise and come out (6)

badly (9)

man (5)

dialects (5)

Now is the time to look to your cellars

there were more of them!) to the more modest regions too. come to the aid of their cellars. This deficiency has arisen owing higher prices stipulated by The word "cellars" must be to small or indifferent vintages, growers, themselves afflicted by Germany will have focused to indicate reserve stocks of keeping wine for any length prising therefore that we hear available. Most enthusiasts for used metaphorically these days lack of cash and the high cost wherever held: below stairs, of time. behind stairs, in the pantry or

in merchants' cellars. Certainly this is always a good countries only Germany has time of year to examine one's produced several ample crops stocks, not so much for Christ- of quality in the last five years; mas and New Year occasions, no and they only make about doubt already provided for, but 10m hl in a good year, combecause a year's consumption pared with France and Italy's lies behind one, and in their autumn lists serious merchants Portugal and Italy have had will have introduced some new items. However, for those who like to have at least a modicum of fine vintage wines in their reserves, it is more than usually important now not to delay replenishment of stocks. For it is clear that next year wine prices are going to rise sharply; and many wines now on lists will soon be sold out.

This is not only because this has been something like a boom year for the wine trade in Britain-based partly, perhaps, on Neronic principles - and because inflation affects the Continental growers as it does us, but for special circumstances that have come together just now.

Inflation apart, the main reason for abrupt price trading in the last couple of

Taking first the vintages, among the West European 60-70m hl and even more. years, including 1978. In cent up in Portugal, 20 per cent have bought their '75s and 76s, was small. Seventy-six was good in the Côte d'Or. everywhere, but '77 was qualitapagne and Beaujolais. For 1978 the statistics are not yet

short—the smallest in the decade. The merchants who buy from the growers lack stocks partly owing to the deficiency in quality and quantity of recent vintages, partly because of brisk

to be ideally suited by the

additional half-mile and easier

underfoot conditions here,

Serpent Prince can gain a

Havanus, a powerfully made

son of Indiana's Belmont Stakes winning half brother, Cavan.

also did well last term in his

first season over fences; winding

up the campaign by beating

Dawlish, albeit narrowly, in Sandown's Beech Open Novices

Chase. Reported to be fit and

in extremely good heart for this, his first outing of the

season. Havanus may well bustle

up the Findon seven-year-old

An hour later, I shall not be

looking further than Heldelberg

for the winner of the Aldington

Novices Chase over two miles

The King George VI Chase

at Kempton, almost always the

most intriguing event of the

and three furlongs.

from whom he receives 2 lb.

it has been catastrophically

ever-rising costs. It is not sur- attention on earlier years still

This year's poor vintage in

WINE

BY EDMUND PENNING-ROWSELL

France, after the mediocre '74 up in Italy, 20-30 per cent up in but if not they should do so came the generally fine save Bordeaux, Champagne, Rhone in Burgundy-75, but the crop and Alsace, and doubled prices

To take account of rising retively poor almost throughout, placement costs, especially though prolific in Alsace, Cham- among vintage wines, many British merchants have already increased prices, as students of available, but it is clear that their autumn lists will have generally in France it was a noted. In their next lists prices small crop, and in Champagne are likely to be higher still. What, then, should we con-

sumers buy now? First, there is no point in amassing large quantities of ordinary wines; their prices will not advance alarmingly and in any case they are not for keeping. It is among the vintage wines that price increases will be most felt, in-

ing to Derek Kent, who will run

The Champ instead, while two

other stars who will be missing

are last year's winner, Bache-

lor's Hall and the Gold Cup

winner and favourite for next

for a second Kempton win for

Bachelor's Hall have been

ruined by the gelding's develop-

ing heat in his off fore, after

an unfortunate landing at the

second from last fence at Chel-

teniram; while Midnight Court,

undefeated in seven starts, last

season, remains out of action

FOLKESTONE

1.45-Serpent Prince**

2,45—Heidelberg***

3.15-Blue Braes*

through heat in a leg.

12.45-Tower Moss

2.15-Tompion

1.15-Bold Gerard

The plans of Peter Cundell

year, Midnight Court.

mile Embassy Premier Chase Grand Canyon is "virtually cer-

qualifier on November 1. Sure tain to miss the race" accord-

without delay. Nor for more ordinary drinking should they overlook the relatively inexpensive 77s from good estates.

Turning to France, still overwhelmingly our source of fine wines, there is no great point inbuying ahead most of the Loire and Rhône wines, with the important exceptions of Hermitage and Côte Rôtie in the latter area. Not that an extra case or two of a reliable Crozes Hermitage or Châteauneuf-du-Pape would come amiss, for they are nearly all drunk too young.

be seen, and it may be a long Not everyone made good wine in 1976, for the vintage weather was irregular, but there is no doubt that some very drinkable wines will emerge, and those who buy early may well later congratulate themselves on their perspicacity in paying so little for them. (Whenever I consult my records of past pur-

tulation; one tends to overlook the inflation factor.) Those short of stock now should consider the easy-todrink 73s, and perhaps the 74s, but I still find them unylelding and severe. Among sweet white Bordeaux, it is yet possible to find 70s and 71s at reasonable

chases, I am nearly always full

of mostly unjustified self-congra-

Among clarets, the vintage to are usually very light and often chants and likely to be more different; but those without self-congratulation

very short vintages.

gundy drinkers must certainly time before this becomes clear. buy the 76s. Some have already appeared here. Among the white burgundies, the vintages to buy are '74, '75 (variable, but good in Chablis) and '76. serpentine

TVI

Those who find the price going rather heavy in Burgundy should consider the finer Rhones. The best vintage since 1972 was 1976, but there were some attractive "75s, and even agreeable '74s in Hermitage.

Finally, for those who at least occasionally drink champagne, now is really the moment to buy a little shead; and this includes non-vintage as well as vintage. It is sometimes thought that N.V. champagne needs prompt drinking. On the contrary, any really good brand will prices, but probably not for benefit greatly from several long. The drier wines present years' bottle-age. Just before fewer problems, though their the last big rise in champagne prices are rising also after two prices early in 1973 I bought some non-vintage Alfred Owing to the lack of good red Gratlen for a few pence under burgundy vintages between 1971. £22 a case. Nearly six years and 1976 — though there were later the remaining bottles, some fine '72s - it is not easy now with added body and fruity, to find suitable wines. The 73s are drinking deliciously one instance, perhaps, of foresight go for now is surely 1976, over-sweetened, few '74g are instance, perhaps, of roresight already listed by some mer attractive, and the '75s were in permitting a modest amount of already listed by some mer attractive, and the '75s were in permitting a modest amount of

Serpent Prince for Whitelaw

deserved success.

SERPENT PRINCE, a chestout fence in Ascot's two-end-a-half to prove a drab affair this year. gelding by Prince Hansel, looks to be the answer to today's feature event at Folkestone, the three miles Whitelaw Gold Cup. The Josh Gifford trained sevenyear-old jumped better than any of his rivels when third behind Sweet Joe in the Sun Alliance Chase at Cheltenham's Festival Meeting, where he finished a

RACING BY DOMINIC WIGAN

neck in front of stable mate. Modesty Forbids. He put up another fine performance last term when giving Bredger and seven others a great deal of weight and a decisive beating in a two-and-a-half-mile handicap at Kempton.

On his only appearance this season, Serpent Prince did well to keep the much improved and considerably fitter Carrigeen Hill company until the final

Christmas holidey, seems likely 11.50 News and Weather for Scot-

Northern Ireland-3.53 Northern Ireland News. 5.55 Scene Around Six. 6.50 As I Roved Out. 11.50 News and Weather for Northern England-5.55-6.20 pm Look East

England—5.55-6.20 pm Look East (Norwich): Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Nationwide (London and South East): Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth). 6.50-7.20 East (Norwich) Spot On! London and South East The Oemonds; Midlands (Blymingham) A Worcestersbire The Osmonds; Midlands (Birmingham) A Worcestersbire Carol; North (Leeds) Life-lines; North East (Newcastle) Tuesday North; North West (Manchester) Ken Dadd's Christmas Feast from Chester: South (South-ampton) Hey Look . . That's Me!

South West (Plymouth) Penin-sula: West (Bristol) Chinese Riddle, Cotswold Key. BBC 2

11.00 am Play School. 13.00 pm Propaganda with Facts.
7.00 The Mid-Evening News. 7.05 International Diving. 8.05 Mr. Lollipop, MA. Play by Rhydderch Jones.

10.05 Man Alive. 11.10 The Old Grey Whistle Test.

LONDON

9.30 am Dry Australia, 9.45 piderman, 10.10 Wild Canada, Spiderman. 10.10 Wild Canada.
11.05 Ruddigore. 12.00 pm Chorlton and the Wheelies. 12.10 Rambow. 12.30 A Ripe Old Age. 1.00
News At Onc. 1.20 Thames News.
1.30 Crown Court. 2.00 After
Noon. 2.25 Raffles. 3.20 Heart to
Heart. 3.50 The Sullivans. 4.20
Get It Together. 4.43 Magne.
5.15 Emmerdale Farm.

5.45 News. 6.00 Thames At 6. 6.35 Crossroads.

1 2053kHz/285en 1089kHz/275en

RADIO 1

7.00 Botanie Man, with David Bellamy. 7.30 Carry On Matron. 10.00 News At Ten.

(S) Stareophonic broadcast
5.00 am Aa Radio 2. 7.00 Dave Lee
Travia. 9.00 Simon Bates. 11.31 Paul
Burnett including new Top 40 discs
and 12.30 pm Newsbeat. 2.00 Tony
Blackburn. 4.31 Kid Jensen including
5.20 Newsbeat. 7.30 to 10.00 as Radio
2. 10.00 John Peel (S). 12.00-5.00 am
As Radio 2. 10.00 pm With Radio 1. 12.005.00 am With Radio 2.

BBC Radio New Wavelengths |

3 1215kHz/247m 2 890-92.5vld steres

4 2000 Hz/1500m & 92-99+bf

10.30 Breaking Point.
11.15 Lou Grant in "Christmas."
12.10 am Christmas Ple: "Something To Shout About."
All ITV regions as London except at the following times:-**ANGLIA**

9.30 am Canada: Five Portraits. 10.25
Take a Bow. 10.50 You Can Make It.
11.15 Lord Tramp. 11.40 Oacar. 11.55
This Sweet Sugar Doughnut. 1.25 pm
Anglia News. 2.00 Houseparty. 6.007
About Anglia. 7.00 The Roll Harris
Show. 10.30 Auditions. 11.30 Westside Medical. 12.25 am So You'rs
Lonety.

ATV 9.55 am Friends of Man. 10.29 Something Special. f 11.10 World Leaders: Roosevelt. 1,30 pm ATV Newsdesk. 3.55 The Eleftric Theatre Show. 5.15 Mr. and Mrs. 6.00 ATV Today. 7.00 Emmerdals Farm. 7.30 Spinnolic. 7.40 Columbo. 11.30 Oscar Peterson Fresents. 12500 am Something Different.

BORDER 9.35 am Undersos Adventures of Captain Namo. 9.40 Animated Classics. 10.25 Take a Sow 10.50 You Can Make it. 11.15 Lord Tramp. 11.40 Oscar. 11.55 The Sweet Sugar Doughnut. 11.20 pm Border News 2.00 Lookaround Tuesday. 6.25 Christmas Pis. 10.00 News and Sorder weather. 11.30 Skring with Gina. 12.00 am Border News and weather.

GRAMPIAN

9.25 am First Thing. 9.30 Tandarra.
10.25 Toke a Seig 10.50 You Can
Make It. 11.15 Lord Tramp. 11.40 Oscar.
11.55 The Sweet Sugar Dourdhult.
1.30 pm Grampian Nows 5.15 Mr and
Mrs. 6.00 Grampian Today. 15.10
Country Focus. 11.30 Power Without
Glory. 12.25 am Reliceions. 12.30
Grampian Late News

GRANADA B.30 am Tuesday Manues. 10.55 Cartoon. 11.00 Flashback. 11.20 impody's House. 11.45 A Handlut of Songs. 1.20 pm This is Your Right. 5.10 What a New. 8.15 Crossroads. 6.00 Granada Reports. 8.20 Emmerdate Form. 7.00 University Challenge. 11.30 Dan August.

HTV 3.35 am Beachcombers. 10.00 Dynomutt—the Dog Wondor. 10.25 Take a Bow. 10.50 You Can Make It. 11.15 Sweet Lord Tramp. 11.40 Oscar. 11.55 Sweet Sugar Doughnuts. 1.20 pm Report Wos! Headlines. 1.20 hauseparty. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 5.30 Sotance Man. 7.00 Three Little Words. 10.00 News followed by Report West Headlines. 11.30 Code R. HTV Cymru/Wales—As HTV General

ESC Radio Lendos:

Capital Radio:

introduces Round Midnight, including 12.00 Midnight News. 2.02-5.00 am You and the Night and the Music (S)-

RADIO 3

1458kHz, 296m & 74.9vhf

London Broadcasting: 115/hHz, 26/m & 97.3vkl

Service except: 1.20-1.25 pm Penawdeu Newyddion y Dydd. 4.20 Goglis. 5.00 Y Dydd. 10.00 News fellowed by Report Wales Headlines. 10.30-11.30 Bywyd. 11.30 World in Action. HTV West—As HTV Genzel Service except: 1.20-1.30 pm Report West Head-SCOTTISH News and weather. 5.15 Christmas Call. 5.20 Crossroads. †5.00 Scotland Today. †5.30 What's Your Problem? 7.00 Emmerdele Farm. 10.00 News and Scottlah News. 11.15 Dean Friedman. 11.45 Pro-Celebrity Snocker.

SOUTHERN

9.30 am Animsted Classics. 10.25
Take a Bow. 10.60 You Can Make It.
11.18 Lord Tramp. 11.40 Oscar. 11.65
The Sweet Sugar Doughnut. 1.20 pm
Southern News. 2.00 Houseporty. 5.15
The Undersee Adventures of Captain
Namo. 5.20 Crossroads. 6.00 Day by
Day. 7.00 Emmardale Farm. 7.30
Charlie's Angels. 8.30 Blees Me Fetter
11.15 Southern News Extra. 11.25
Pro-Celebrity Snooker. 12.10 am
Wasther followed by The Holly and the
lyy.

TYNE TEES 9.25 an The Good Word followed by North East News Headlines. 9.30 Hentoge. 10.25 Take a Bow. 10.50 Clud Club. 11.16 Lord Tramp. 11.40 Oscar. 11.96 The Sweet Sugar Doughnut. 1.20 pm North East News and Look around. 5.15 The Brady Bunch. 6.00 Northern Lila. 7.00 Emmerdale Farm. 11.30 Emergency. 12.30 am Epilogue.

ULSTER ULSTER
10.15 am The Herbs 10.25 Take n
80w. 10.50 You Can Make It. 11.15
Lord Tremp 11.40 Oscar. 11.58 The
Sweet Sugar Dougnaut 1.20 pm Lunch.
11m0. 4.18 Ulster News. 5.15 Cartenn
5.20 Crossroads. 6.00 Reports. 6.35
The Mary Tyler Moore Show. 7 00
Emmerdate Farm. 7.30 Feature Film:
"Murder Under Glass."

WESTWARD 9.20 am Space 1999, 10.25 Take a
Bow 10.50 You Can Make It. 11.15
Lord Tramp. 13.40 Oscar 11.56 The
Sweet Sugar Doughnut. 12.27 pm Gua
Honcybun's Birthdays. 1.20 Westward
News 5.15 Mr and Mrs. 6.00 Westward
News 1.50 Westward
Westward Late News. 11.30 Friands of
Man. 12.00 am Fath for Life.

YORKSHIRE 9.30 am Friends of Man. 10.00 Tree Top Tales. 10.15 Mysterious Island. 11.10 Flying Jewels. 11.35 Tell Ma Why. 1.20 pm Calendar News. 3.20 Calendar Tuesday. 5.15 You're Only Young Twice. 6.00 Calendar (Emley Moor and Belmont editions) 7.00 Emmerdale Farm. 11.15 Firesvap Theatra.

Bernonzi: Recital of Italian songs (S1. 19 40 The Contest of Love and Marriage. Telk by Laurence Lerner, 11.00 Czech Plano Music by Tomasek, Dvorak, Janacek (S). 11.45 News. 11.50 Tonight's Schubert Song (S). RADIO 4

RADIO 4
6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping lorecast. 6.30 Today including 6.45 Prayer for the Day. 7 00 and 8.00 Today's News. 7.30 and 8.30 News Headlines, 7 45 Thought fur the Day. 8.45 Serial Raading. 9.00 News. 9.05 Tuesday Call: Exploring Outor Space. 10.00 News. 10.05 Local Time. 10.45 Morning Story. 11 00 Thirty-Minute Theetre: "The Battle of the Booze." 11.30 Farm Chat. 11.45 Listen with Methor. 12.00 pm News. 12.02 You and Yours. 12.20 Desert Island Discs. 12.55 Westher. 1.00 Tha World at Ono. 1.40 The Archers. 1.55 Shipping forecast 2.00 News. 2.02 Woman's Hour 3.00 News. 3.05 Mistinguistle, star of the French music hall. 3.35 No 37 to Greenland (play). 4.30 Announcements. 4.35 "The Thirty-Nine Steps." 5.00 PM. 5.80 Shipping lorecast. 5.55 Weather. 6.00 St. 0'clock News. 6.30 The 27-Year Itch (%). 7.00 News. 7.05 The Archers. 7.20 File on 4. 8.00 Our Care and Delight. 8.45 One Degree Over: Climate Modelling. 9.30 Kalerdoscope. 9.59 Weather. 10.00 The World Toninht 10.25 Market Trends. 10.30 You've Got To Bo Jokna (\$). 11.00 A Book at 11.15 Three Charades for Christmas. 11.30 The Unlorgetables. 12.00 am News. 12.15 Shipping forecast VHF—6.00 am With If, 6.30 With If 7.50 Regional News. 6.55 With If 7.50 Regional News. 6.56 With If 7.50 Regional News. 6.56 With If 7.50 Regional News. 7.55 With If 7.50 Regional News. 6.56 With If 7.50 Regional News. 7.55 With If 7.50 Regional News. 7.55 With If 7.50 Regional News. 6.56 With If 7.50 Regional News. 7.55 With If 7.50 Regional News. 7.55 With If 7.50 Regional News. 6.56 With If 7.50 Regional News. 6.56 With If 7.50 Regional News. 7.55 With If 7.50 Regional News. 7.55 With If 7.50 Regional News. 7.55 With If 7.50 Regional News. 6.50 With If 7.50 Regional News. 7.55 With If 7.50 Travis. 9.00 Simon Bates. 11.31 Paul Burnett including new Top 40 discs and 12.30 pm Newsbeat. 2.00 Tony Blackburn. 4.31 Kird Jenson including 5.30 Newsbeat. 7.30 to 10.00 as Redio 2. 10.00 John Peel (5). 12.00-5.00 am As Radio 2. VHF Radios 1 and 2—6.00 am With Radio 2. 10.00 pm With Radio 1. 12.00-5.00 am With Radio 2. 10.00 pm With Radio 1. 12.00-5.00 am With Radio 2. So am With Radio 2. The Solution of the Night and the Night an

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and the second CLUBS

demonstration sits happily on

the grass outside, a strange metal beast among the trees.

Back in Bond Street, at

Knoedler Kasmin (until December 23), Anthony Caro's most recent works, what he calls his Writing Pieces, they too evince this same sense of well-being matched to a various delicator.

matched to a natural delicacy and lightness of touch. They are all small, indeed well suited

to the large white table-top on

which they sit; and they are most impressive evidence of the artist's apparently effortless command of his medium, light-hearted exercises in virtuosity.

He has thrown together junk

and scrap from the studio floor,

old tools, this and that, and in

doing so has produced work that

goes far beyond the mere tech-

nical. formal demonstration: for

and equivocal character, a

too causes pain and some con-

need their leader, and such

panache and skill and hedonistic

self-indulgence are very discou-

certing. What can this work be

about: what are the ideas behind

it: what is it trying to say?

Sculpture is a very serious

together, with considerable firir

as well as skill and originality. give that dour heresy the lie:

Flanagan and Caro

private, untellable history.

unexpected resonance,

Serpentine Gallery/Knoedler Gallery

Two sculptors—Flanagan and Caro

by WILLIAM PACKER

It has become in recent years sculpture school of lasting canvas sand-filled tubes, poles a commonplace of art world significance. But by the time and bays, heaped, folded, trailed conversation, no matter what Barry Flangan arrived there, about in a disarmingly, disconnection, and the same and same arrived there. else may now be said of our sixties, Caro was on the point painting, or even our music, of leaving, the school itself painting, or even our music, of leaving, the school itself theatre and literature, that we after ten years or, so of excitences and certainly enough academy. And Flanagan found himself reacting against all there generations, have acted upon the remark with an attractive and comforting colours, the open plan, and plausibility. Two of the most above all the Tuf-booted excited activities and excited activities an interesting and actually influ- seriousness of it all. ential of them are currently. The path for him of truth showing in London, artists to material took quite another markedly different each to the direction, inclining towards the other in temperament, pre simplicity and directness of occupation, and the method the objet trouvé on the one and nature of the work, and yet whose histories cross, and who, in the event, prove to be curiously complementary.

Both of them have been Serpentine (until January 7), closely associated with the St. he turned out to be ingenious, Martin's School-of Art in the or perhaps it is devious enough Charing Cross Read, most part to encompass them both. His ticularly Anthony Caro, around early work was installed quite whose energetic teaching and as much as it was made, rope practical example developed a and hessian and sand, and

hand, and to the delicate, droni-

certingly off-hand way, he very much the metteur-en-scene. And of course it all caused a certain amount of pain, for too many of his fellows, home from a hard day with the arc welder, it seemed unacceptably flippant, unserious, easy: to the general public it seemed hardly to be art at all, and all the more in-funisting so. Flanagan's work has suffered seriously in the past from direct action, most notoriously at the hands of philistine under-graduates in

Those floppy towers, though still engaging, are tireder now, and not in the least outrageous. Only an occasional piece, a small beap or pile from 1968 or thereabouts, the Pile that the Tate owns, for example, a stark presentation of four variegated hessian blankets folded neatly one on top of another, just as they might be on a recruit's bed, and exactly as they were collected in fact from Russell and Chapple, the canvas mer-chants, retain their old subversive impact and sense of

and not a little dated, limited in fact not only by its self-conscious variety of image,

material and scale, but more by

its anxious, unfailing eleverness

its desire to stimulate and

to mature as an artist, and through the seventies, while remaining as informed as ever by the lightness of his touch, and his wry sensibility and wit, his work has grown ever more straight-forward, unaffectedly matter-of-fact, positively tradi-tional. The jokes are still there. the puns on substance and image, the gentle nudges and suggestions towards other references than the mere matter of the work itself, but they are now less emphatic, more missable and ambiguous, and thus more rewarding. Jack Horner continues to pull out the plums. but has given up the self-

Flanagan's particular gift is to take his material, man-made or natural, and by touching it. modifying it sometimes only marginally, making it his own-It becomes almost a ritual act of signification, an Indian sign on a true, an ancient trace scored deep into the stone, or a rolled ball of baked clay. Some of his most beautifu works, and the most powerful in their effect upon the impoination, are the small totems, cairus and offerings he made in just this way, discrete elements of clay and stone Irmined together.

elements together in a particu-lar relation, but he now insists more upon their separateness. putting things out and arranging them once more. And be has also been following through a single sculpturel ploy, turning two dimensions into three by the simple expedient of a cut. a transformation that might first have occurred to him while peeling an apple. Its largest

its title in an attractive series

of sudden events over long-

systained lines; a diverting but

diffuse conversation in poise)

ever. was Simon Emmerson's Ophelia's Dream I. Created with

an ear for drama as well as for

pure sound, it placed a soprano

within a nest of microphones. Her angular, stuttering medi-

tations enveloped us from the

four corners of the theatre.

while three onlookers com-mentated tersely, in simple chords, on her distress. A pity

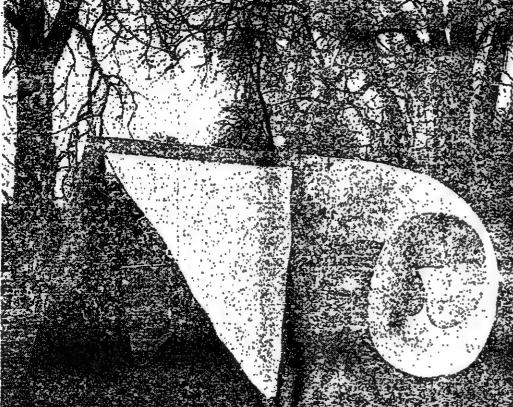
piece turned into a virtuoso

that, towards its close,

Most imaginative of all, how



In his more recent work he continues to put distinct



Now metal place, 1972, by Barry Flanager

Wigmore Hall

El Cuarteto Español

by ARTHUR JACOBS

With a quartet by Villa-Lobos, was of a dull style of playing, the last of the scheduled items with the leader (Hermes on their programme, Sunday's and the cellist (Eprique Corres) Spanish visitors made some thing memorable of their London debut. Formed over a decade ago from leading players of Spain's Radio/Television Orchesira, El Cuarteto Español has made repeated appearances in South America and its members have evidently mastered the piquant, lively idiom of Brazil's celebrated composer.

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Fertile though Villa-Lobos was, I doubt if this quartet (played from manuscript) was really his seventeenth, as stated. But whatever the number some. British group should grab it at once. The sinewy and singing not be other than an apology qualities of its four movements were brought out with subtlety and strength by these Spanish performers. The finely graded range of tone and expressive-

ness was notable. In the more strictly classical by Turins, one of the few reaches of the string quartet's Spanish contributions to the repertory, the performances regular repertory of quartets. were less happy. First came the I have never spotted anything Quartet no. I by Arriaga, the gifted Spaniard who died in thing of prayer, but a perform-1826 before reaching the age of ance so assured and so ner-20; then Mendelssohn's in E flat, vously alive brought its own opus 12. The impression here purely musical satisfaction.

and the cellist (Enrique Correa) not always providing a suffi-ciently firm bass-line. The younger members of the quartet (Joan Lluis Jorda, violin, and Emilio Mateu, viola) showed up. more attractively.

The inclusion in the programme of Debussy's Danse welcome the justly popular Spanish harpist resident in London, Marisa Robles. Even with some thoughtful re-scoring to make up for the missing double-bass line, this performance with string quartet could for the correct version with string orchestra.

After the Villa-Lobos, as an encore to end the evening came another specialised and convincing item-La Oración del Torero

Roundhouse Downstairs

The Sadistas

by ANTONY THORNCROFT

This more sophisticated very tyrant in charge creates sion of the Sadista Sisters have imaginary problems for her taken up residence Downstairs regular disciples but just canthe mixture as before, three actresses' backed by an almost all girl rock bank taking a view of life which blends the feminine with the subversive with the surreal. On the last occasion I saw the Sadistas I thought the material needed tighter editing and the production a firmer control. There has been some improvement, but the naïve and the embarrassing still come up against the witty and the per-

There can be few reservations ing is still one of the novelty-about the band, which has pro-of the enterprise, mixed with duced some excellent wistful appreciation of the music. The songs, a bird's eye view from Sadistas face all kinds of prob-the alternative society. The lems in mounting shows, but sketches in between are much there are signs that they have more hit and miss. At their best, the talent to develop in time as in a peep at a woman's a really effective underground encounter group where the cabaret

at the Round House last week and cope with a revolutionary, end and next. It is very much the mixture as before three relevance and humour. At their worst, as in a shock find number, intended to play on everyone's pet aversions, the feeling of sickness is for the performers rather than in the audience.

But there are good things: a monologue about meditation and finding the right guru was worthy of Peter Cook in his sensible days, and the psychiatrist forced to cope with Medusa was a good idea, nicely carried through. The final feeling is still one of the novelty

Singcircle

by NICHOLAS KENYON

When is speaking singing? which became violent and then nd what's the distinction subsided) and Gregory Rose's etwoen human and artificial 1t's a Flash (which did justify And what's the distinction between human and artificial sound? All five works in Sunday afternoon's stimulating contribution by the four singers of Singcircle to the current muslCA series explored answers to one or other of these questions. Bill Martin's A memory of the players in a mirror at midnight was a straightforward sacrèe et danse profone was interweaving of spoken and little more than an excuse to sung words, the inflections of the former creating the outlines of the latter; Joyce's text proved ideal for the treatment, though the dissolves sounded over-clear and the development of the idea lacked force. Kevin Jones' Text years was entirely built from dislocated phrases and syllables, reassembled and developed with taut imagination -again, complexity succeeded more than simplicity, and just avoided the piece's tendency to sound like ? Geographical Fugue of the '70s.

Less impressive for their cogency, but equally neat in their individual premises, were Simon Desorgher's Uprour Simon Desorgher's Uprour Gregory Rose, with Simon (which was no such thing, but a Emmerson manipulating some rather twee collection of imitation-electronic vocal sounds ment.

demonstration of voices and time-delay systems sounding like synthesisers. One sensed in more than one of these pieces a didactic attempt to close the gap between vocal and electronic music, to prove that humans can make quasi-electronic noises. Why? Highly pro-fessional performances of this professionally put-together set of works from Singericle under

Wigmore Hall

The Nesterenko voice, stupen-

dous bass though it is, proves

to take as well to the recital

Yevgeny Nesterenko altogether too modest. Schen-derovitch made much of the hard, spare piano-writing, and neither artist let the tension relax for the love songs. The

uousually efficient sound equip-

hall as to the opera house. On Friday night he sang Shostakovich and Mussorgsky at the Wigmore, with the excellent Yevgeny Schenderovitch at the piane, and made a powerful impression—no hint at all that this might be an evening off from more serious business. The Russian repertoire is of course uniquely generous to the operatic basso, who can revel in songs which don't require him to trim his sails (and even then, at the end of the programme, Nesterenko allowed himself a Volga Boat Song

which fairly shook the hall). : It cannot be easy to begin an evening with Shostakovich's Michelangelo Songs Op. 145, for they are neither immediately engaging nor interpretatively straightforward. Nesterenko struck the tone of bitter sobriety Nesterenko at once and sustained it commandingly through the cycle, which he made a continuous whole in effect. Shostakovich's

cycle rose to a height of impassioned declamation with the hammer-song "Creativity," and they let the weirdly blithe epilogue on "Immortality" speak for itself, without added

The Shostakovich was pervasively solemn, though sung in superbly clear diction and with balanced finesse; Nesterenko displayed a grand, unexpected range of vocal colour in Mus-sorgsky's Songs and Dances of Death. Conventional basses act the introductions and sing out in the main sections, but this singer made each song a vivid scena with no sense of verse/chorus divisions. Without resorting to any contrived delivery, he kept narrative and dialogue distinct, and dramatically compel-ling. The sensitive flexibility of the voice was a natural-seeming

DAYID MURRAY

Riverside Studios

Play Away by WILLIAM PACKER

Studios' Christmas ment for children Away," lifted whole and in the flesh from Saturday afternoon television; and though it is neither pantomime nor children's play exactly but rather a whole - hearted, fast - moving variety show, it does indeed provide an admirable seasonal treat. The BBC admits to aiming the programme at a middling age-group, eight-to-twelve or so, and the show remains reasonably true to that audience, full of cracks and gags, awful puns and dire jokes, every one of them gleefully excruciating; and the child needs a sharp ear, and even sharper play-ground wit, who is to catch them all. The noise and excitement generated by the theatrical performance is indeed a very loud and far cry from the intimate attention available at the television-side. This show, nowever, to its

the odd thing is that such material is full of association great credit, while remaining irrepressibly itself, uncompromised, also accepts the facts of which combine to invest each its translation and supplies something for everyone. The new entity with a most lively matinee audience I joined was predominantly very young indeed, some of it well under And what they show so clearly, what we should have school age, and yet, though the had the sense to see long ago, is that Caro, in spite of all the theorising and analysis, all the jokes were a shade sophisti-cated, the pace of the perform-ance, the enthusiasm of the talk of schools and influences, is company and the happy simpli-essentially an instinctive artist, city of the sketches and slap-who picks up the stuff he has to stick together kept attention essentially an instinctive artist. and participation unflagging throughout "Life is Butter. hand to see what comes of it. There is no formula, no programme, but simply the urge to Melon. Cauliflower." as one very touch, to mark and to make. This small boy declaimed rather than sang as his part in the general round-song. fusion in the ranks, for disciples

Brian Cant heads the breathless four-man company, marvellously outrageous as schoolbay, rock star and Brian's auntie from Inswich; and the others, Tony Robinson and the two wiris, Anita Dobson and Julie Stevens, are each just as good, belting out the sours, stoically enduring riddle and trick, racing from quick change to auick change, school-girl, cow-



girl, Martian. Jonathan Control way vity striously instructed by and the bend sustain it all with Mr. Robinson to write a lonreat calm, an ocean of sauity essay on "What I enjoyed most in an oasis of madness.

At the interval the audience Studies": well, I laughed a lot.

Beverly Sil's to head New York City Opera

Beverly Sills, America's most dom. famous living sopeane, has been named director of the New York City Opera to replace Julius Rudal, director since 1957 and the man who guided her to star-

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Tuesday December 19 1978

Words, not action

retreat from Conference in turned out to be rather less tramatic, though what it was

Sarket forces Mrs. Thatcher endorsed the ncomes policy set out in The Right Approach to the Economy, which she has not always done in the past. At the same time, teme to some conclusions about ment is to be avoided; and this from the representatives of ment which has become so innorms and averages for pay settlements as well as the present Government's five per cent guidlings, and which has led to considerable embarrassment within the Tory Party. of the Conservative approach was " recognition in both public and private sectors of the need

In a number of ways, the most ballot. It is quite another to market forces to establish their of Ford-which are quite uncain kind of equilibrium. The necessary and which are totally elternetive readings are (a) in breach of contract. that is a call for some sort of relativities body to intervene can afford.

THATCHER'S latest and that she regards that partipeech on the Conservative cular section of The Right the British Approach to the Economy as conomy, delivered in Padding- no more than a pale version on yesterday, was widely billed of the incomes policy now being advance as a carefully calcu- pursued by Mr. Callaghan. Yet the the fact is that she does not ponetarist policies associated say so, or at least she does not ith Sir Keith Joseph and say so consistently. The moment pparently endorsed by the that Mr. Heath or Mr. Prior step out of line with her own frighton last October. In fact, thinking, Mrs. Thatcher trims. The trimming may, of course, be tactical in the interests of ramatic, though what it was near the interests of party unity, but a least who cannot be consistent in opposition scarcely inspires confidence that she would be consistent in

Mrs. Thatcher's back-tracking on the Brighton Conference is the more surprising given her emphasis on one other feature of the Tory approach—the need for what she described yesternowever, she omitted to mention day as "open discussion and lirectly what has become of its explanation between Governmost contentious point: namely, ment, employers, unions and "the Covernment must all interested parties, so that to some conclusions about people know what is happening he likely scope for pay in-reases if excess public expendi-ject that needs explaining again ture or large-scale unemploy-and again to the public — to employers as well as unions estimate cannot be concealed it is the workings of the market economy. If the Conservative employers and unions whom it Party really believes in the is consulting." It is that state market, it needs to say so now -as Sir Keith Joseph, to his volved in the argument about credit, has done. To twist a phrase from Mr. Heath, it is a time for words, not action.

Unions

There is one further aspect of an so far as she referred to Mrs. Thatcher's speech that it at all, Mrs. Thatcher said deserves comment. The Tories that one of the main features are again beginning to face the question of trades union reform, as indeed would Mr. Callaghan if he knew how to do it. Yet the for varied rates of pay with in- approach outlined yesterday recreases which reflect supply and mains hesitant to the point of demand, skill, effort, experience, risk and the employers' capacity mention concern at some aspects. of the closed shop and the possi-That statement can be read bilities of extending the secret obvious of which is that it is fact up to the fact that strikes are taking place—as in the case

The Conservative Party might not know the answer and indeed when market or political forces that is a perfectly respectable become too frightening and (h) position. But at least it might that it is somehow compatible admit more openly that the with The Right Approach and problem exists. Sooner or later the government's own calcula- face up to the fact that strikes be tackled at the national level. All the objective evidence is That means seeking a consensus that Mrs. Thatcher herself would with the unions and with at prefer to rely on the markets least part of the Labour Party.

Dr. Kaunda's new mandate

election has turned out to be a much greater success for Dr. people had expected. Against a background of severe economic difficulties and an conflict with Phodesia, his countrymen have given him a convincing new five-year mandate.

Officials of UNIP, Zambia's poll and a large "no" vote, which meant that neither Mr. Under Zambia's one-party Kapwepwe or Mr. Nkumbula system Dr. Kaunda's name was with voters either backing his clection with a "yes" vote or epposing it with a "no" vote.

Campaign

In the event, 65 per cent of eligibile voters went to the polls, a major improvement on the 40 per cent of five years ago. While there was a substantially higher "no" vote in percentage terms. President Kaunda saw the actual number of votes in his favour rise substantially over 1973-up from 589,000 to 875,000.

A vegorous "vote yes" compaign, which allowed no dissenting opinion, was duobtless a contributory factor in this result. Nevertheless, the election has demonstrated once more the remarkable popularity of President Kaunda, even at a time when his country's stability maintained. economic fortunes have sunk to the point where there are IMF condition shortages of such basic commodities as salt and cooking

important psychological boost to the President and should enable difficult times which he ahead. The confrontation with Rhodesia Parliament yesterday, he argued for manoeuvre over Rhodesia.

ZAMBLYS PRESIDENTIAL that the crisis would only be resolved by war.

The election was, however, preceded by some unsavoury political manoeuvring which prevented two other Presidential hopefuls-Mr. Simon Kapwepwe and Mr. Harry Nkumbula — from challenging President Kaunda in the poll to choose UNIP's candidate.

The party rushed through only party, had feared a low amendments to its constitution were eligible to stand. It is the only one on the ballot paper, unlikely that this affected the outcome, but it is regrettable that UNIP, which prides itself on Zambia's "one part; partici-patory democracy," should have taken such action, smacking of

cynical expediency.
That said, it is to President Kaunda's credit that he should have let this month's elections go ahead as scheduled—in the wake of Rhodesia's major raids into Zambia, which could have given him ample reason for sults suggest mounting concern over these raids. It seems significant that the "no" vote was greatest in Southern Province, which has been worst hit by the

Over the coming months Zambia is certain to become more and more embroiled in the war and it will require all Dr. Kaunda's political skills to see

The result will be an President's decision in October him to cope better with the log of copper exports is still at and Zambia's economic prob- foreign exchange. Its arrears on lems are bound to have a navment for imports stretch destabilising effect. It is all the hack 15 months and it has been more important that Dr. finding it difficult to keep com-Kaunda should retain the con- pletely to the terms of its IMF fidence of the majority of his standby loan agreement. The countrymen. Certainly, Presi- coming year looks like being as dent Kounda is likely to view difficult for the Zambian his success as an endorsement economy as any since indepenof his uncompromising attitude dence—and that seems certain towards Rhodesia. Opening to reduce the President's room

Britain better able to ride oil price rises than most

BY SUE CAMERON

R. Anthony Wedgwood Benn, the Energy Secretary, said yesterday that the forthcoming 14.5 per cent rise in world oil prices was "not good news for jobs, for trade and for the UK economy as a whole."

His gloom was echoed by governments all over the Western industrialised world. They had known the Organisation of Petroleum Exporting Countries was going to push up oil prices but the four stage increase announced on Sunday was steeper than most of them had expected.

Despite the general pessimism it is still too early to make any firm forecasts as to how hard Western economies in general and the UK in particular will be hit. But there is some evidence to suggest that Britain may be able to weather the oil price rises better than some of her

rises better than some of her trading competitors. For a start, the effect on the UK balance of payments will be negligible. Britain's current annual consumption of oil stands at 93m tonnes but North Sea production has already put the UK more than halfway along the road to self sufficiency. It is estimated that the UK's North Sea wells will have produced between 53m and 54m tonnes by the end of this year. The expected figure for 1979 is betwen 80m and 90m tonnes.
This means that by the end of

next year Britain will be almost wholly self-sufficient in oil. As result, the Department of Energy is estimating the net cost to Britain of the OPEC price rises at somewhere between £50m and £100m. The exact figure will depend on the rate of North Sea oil production during the coming 12 months but even at the upper limit the OPEC prices rises will cost the nation less than did the Ford strike this

Oil companies operating in the North Sea were scarcely jubilant yesterday about the OPEC oil price rises, yet the picture for them is not entirely bleak. This is because the increases could provide them their overall profit margins on oil products sold within the

all oil products are depressed compared with what they were three or four years ago. And in real terms petrol prices are the UK Government's approach towards passing on oil price

stantial rises in the price of rises in the prices of process fuels for manufacturing industry have a far stronger impact on inflation and on the retail price index. They tend to have ing on their cost increases down

On the other hand, rises in the price of petrol can be passed straight to the consumer



After the OPEC talks: Dr. Hana Saced al Otelba, UAE Oil Minister (left), dances on Saturday night, while Saudi Arabia's Sheikh Ahmed Zaki Yamani tells a Press conference that he was not happy with the outcome of the meeting.

heavy fuel prices have been on pump prices, kept artifically low over the lust The oil compa few years while petrol prices have gone sharply up. One oil company said yesterday that petrol prices had risen twice as much as heavy fuel prices over the last three or four years.

But the soaring cost of petrol has not benefited the oil companies—it has merely led to a pump prica war. increases in petrol prices have encouraged the Russians and with an opportunity to improve the East Europeans to export cheap petrol to the UK so foresubsidise many of their retail At present profit margins on outlets.

latest OPEC The increases could therefore give tunity to improve their margins now lower than they were just all round. It is thought they before the 1973 OPEC oil crisis. will be pressing the Govern-One of the main reasons for ment hard for permission to this state of affairs has been spread the OPEC rises evenly over all their products. This would mean a rise of between 2p and 2.5p a gallon on both The Government prefers sub- petrol and heavy fuels.

exporting cheap petrol to the now that the price war has a gallon.

price index too far. As a result started to die down with all the vithout pushing up the retail oil majors taking a tougher line Dhabi on Sunday it was agreed

The oil companies are diso anxious to recover some of their own increased internal costs. They have already been hit by dollar exchange rates, by increasing wage bills and by such things as the present transport drivers' overtime ban. When the present round of OPEC increases start coming through it will also put up the cost of the oil needed to keep refinerics going.
One oil major said yesterday

that an extra lp a gallon on all o!! products would probably cover the increase in OPEC crude prices while a further Ip to 1.3p would enable oil compunies to recover some of their costs and redress the balance on their margins. Suggestions that petrol price

rises might well turn out to be compartively modest were lent added weight resterday by the Department of Energy. The Department predicted that the oil companies would do their best to avoid putting too much If the Price Commission of the OPEC price rise burden of heavy fuels. This is because order-end with an chartien soread the cost to other procoming up next year it is a hig ducts. It said one reason for if—the oil companies will be this was that the oil companies able to recover some of their were anyious to avoid setting off margins on heavy fuels while another pump price wer which keeping petrol prices to reason- could and in some of them losa multiplying effect with semi-able limits. Lower rises in ing market shares. But if the finished product industries pass-petrol prices will not stop the Government does not allow the petrol prices will not stop the Government does not allow the Russians and East Europeans OPEC increases to be evenly spread across all oil products

the existing differential in the prices of light crudes - for which there is a high demand and the heavier varieties. The aim of this is to help OPEC

members such as Nigeria, Libya-and Algeria which geared them selves to supplying the European market at a time when freight charges were high. European

buyers

Freight charges have now fallen substantially and European buyers have started looking to other light crude suppliers. But a widening of the price differentials, while helping some of the African oil producers, will also mean that heavy fuel oils will continue to be comparatively cheaper than products made mainly from light crudes. This is another reason why the oil companies are anxious to spread the OPEC price rises evently across their Drocucts.

The oil companies point out that the UK seems to be taking its time over substituting coal and nuclear energy for some of the heavier fuel oils. They insist that the process needs to be speeded up so that once oil supplies start to dwindle, crude products can be directed to the UK, but it should reduce the UK four star netrol prices are areas where they are most incentive to/do so—especially likely to go up by roughly 4p needed such as the petrochemical industry.

At the OPEC meeting in Abu
The only way to do this is toDhabi on Sunday it was agreed increase the prices of heavy
in principle to further widen fuel oils: as long as they remain
the existing differential in the comparatively low there is little
prices of light crudes — for incentive for industry to use replacements. the new OPEC prices. If suy-

thing North Sea prices will rise slightly higher because of the The price of North Sea crude. generally will rise in line with esent loading on refineries in

U.S. refining capacity is geared to lighter crudes because demand for light oil products including petrol with a low lead content, is particularly high in-America. The U.S. is already a heavy oil importer and her imports are increasing. This means that the need to meet refinery gearings is likely to push up U.S. demand for ladparted light crudes still higher. The net effect could be to push up world prices of lighter crudes

North Sea of is a lighter oil and its sales could therefore benefit from U.S. naeds. The U.S. buys most of its lighter crudes from Nigeria and Algeria countries then North See light oil—exported mainly to the rest of Europe — would almost certainly float upwards too. The UK is not currently a major exporter of oli but higher prices panies and the nation-if only to a small extent.

In a number of ways, there to ease the financial path of fore, the impact of the OPEC some of his oil-producing allies.

oil price rises will not be too severe as far as oil majors operating in the North Sea are concerned. The will be hardest hit during the first two or three months of 1979 when the first, 5 per cent OPEC rise fales offect—they will have to wait until March for a Price Commission sion verdict on their own pro-

Five

ques

fitu

This overlapping period wilf be a tight one for the oil incluss but if they persuade the Government of their case for spreading the OPEC rises evenly over the open than the open the open than the open than the open than the open than the op all their products, they may actually derive some benefit from the increase in world ail

The obverse of the OPEC-coin is that oil product prices are going to go up and whether the emphasis of the increases is on petrol or not, industry is going to have to face higher

Transport costs will rise and if the oil companies have their way, the cost of process fuels will bit many manufacturing industries as well. The prices of consumer goods will be forced up as a result. The effect of the OPEC price increases on the U.S. economy will be particu-larly significant. The amounce ment of a 145 per cent OPEC increase which averages out a aiready caused widespread falls in the dollar. The oil price rises, added to President Carter's anti-inflation package in November, will further increase the prices of manufactured goods in the U.S. while at the same time reducing demand. The overall effect could be in dampen the growth in world trade and this would clearly hit UK and Continental industries.

If the dollar were to fall sub-stantially over the coming year. OPEC could find that its price increases were falling to bits sufficiently hard. One option then would be for OPEC members to consider reducing their supplies of crude but it. is thought most unlikely they would do this. The net effect would be to reduce their revenues and therefore their spending power and this would largely defeat the whole object of the current 14.5 per cent Drice rise. If the 145 per cent price rise

does not have the desired impact it is more likely that OPEC would look again at the possibility of lasting its of prices on a basket of currencles

In the meantime the effect of a weak U.S. dollar is being offset by the present political turnoil in Iren. The but if light oil prices went up in Transen oil production is in line with demand in these likely to be an important though coincidental factor in ensuring that the OPEC price rise does bite at least in the shorter term. No one knows how quickly normal oil production in Iran will be resumed but for the oil it does export would, there seems little likelihood of still benefit both the oil com- any; suddent improvement in any sudden improvement in the situation there. The Shah's troubles could indirectly help

MEN AND

The old school

"Enter a new world at Harrods" runs the advertising and a special correspondent has just been finding out how new that world is. Having left school on December 1st, my friend joined the seasonal influx to Harrods of Oxbuidge condidates on December 4th, By December 6th their influence was visible in the sign on a plucked turkey saying "ostrich." An American who saw the fowl in question was overhead extelling: "Gee, Henry, doesn't Harrods stock absolutely everything?

. It has proved an exciting period. One young Scottish lord who had given himself out for wages, hiding to cool off after a row with a client, knocked himself out in a wine cupboard. And this weekend, armed raiders snatched £25,000 in cash. Our correspondent had been hoping for immersion in the vast ocean of the real world but complains that it proved little more than a paddling

Unfortunately, there seems little relief for him on the economic front. Despite the to re-open his railway links with Rhodesia. Zambia's backa very high level. The country remains critically short of

gripes the the atmosphere was one not of leaving school but of returning to it. Equipped with pencil, paper and blackboards the bright young entrants for university places found theroselves battling with note taking. The prefects and teachers for their part were replaced by the more rigid hierarchy of the Duke of Edinburgh's outfitters and the Queen's suppliers of provisions and household goods. Assistant buyers have to be addressed as Miss Y and a mere glance from a buyer causes elbows to rise from counters or so my corres-

pondent assures me.
But, however, little matters are changing within Harrods. outside it seems the image is not what it was. My colleague in the next-door office has just switched his presents from Harrods bags to those of Marks and Spancer. And looked up guiltily when I found him doing

Aiming high Aims, the free enterprise

organisation, dues not like Quangus. In fact it is going to "exterminate them," or so Aims' director. Michael Ivens. warns. Its weapon for this merciless battle? The cartoon. So I was told vesterday by Aims as it launched a £200 "reward" for any graphic design describing the quasi autonomous non-governmental organisations which Whitehall has been happily planting in our midst, "If you cannot draw of Jersey setting up its own a letter will do," Aims adds central bank and breaking away The public reaction has been immense," it assures me UK and the sterling area has about its earlier cartoons, been discussed in the nost. The These have appeared in papers idea was firmly rejected by ranging from the Times to the Jersey's "chancellor." Senator New Statesman-all of them as Cyril Le Marquand, in his 1976 advertisements. Aims seems to budget speech, but it is not long believe that one picture tells since the EEC negotiations when 5.000 words, though cortoonists Geoffrev Rippon told the island's might question how much it has leaders that if the terms agreed

"It must be an Irish crackerit says 'When is a pound not a man dreaming of five years' independence.

as its figurehead and five bureaucrats as the cargo. Even the most charitable observer would hardly credit this with subjety: the judges will presumably be looking for other plus points. As for the Civil Service Deportment, this told me that it would surely be rather "tricky" to portray a quangue "Since it is a subject of current political interest civil servants wouldn't want the embarrassment of getting involved," it added.

EMS and UDI

As Ireland, joins the European Monetary System the fires of revolt seem to be stirring in the Isle of Man. "We must contemplate whother we might see the Irish Punt as more acceptable and replace the English pound," says the island's Government Treasurer. William Dawson.

The Manxmen have long pre-ferred their own style. They have 50p notes and £1 coins though these have preved collectors' items more than currency and the only commercial sighting of the \$1 coin was when one was mistakenly given over in a shep as a 5p piece.
With Irish and English money

circulating freely the situation seems more tricky there than in the Channel Isles, There Jersey's economic advisor, Colin Powell, vesterday: "It is in the UK's and our best interest for monetary union to continue In the Channel isles the idea

from monetary union with the for them were not acceptable One of its offerings shows a they could nopt for complete

more sociatism and seeing a. Nonetheless in London today

worker struggling with the oars a different view prevails. The of a hoat with Wedgwood Benn Bank of England argues that it is very unlikely that any of these islands would be invited to join the EMS without Britain's encouragement and the Home Office puts it even more strongly. "For foreign dealings they are part of the UK. They have no choice in the matter.

Russian Rolls

"Above average suspension comfort," seats in "tasteful velour" which "conform to the body" a storen redio and a body," a stereo radio and a 220 HP V-8 engine are among the accountements of Leonid Brezhnev's luxurious limousine, according to an East German motoring magazine. Allowed a closer look at his new Chaika than most Russians this praises its "good qualities on the straightway" which might be a diplomatic way of questioning how well the 20-foot car corners. The car reaches 60 mph in 15 seconds and has a top speed of 110 mph. It weighs 2.5 tons. which would seems to indicate

some bullet-proof shielding and is virtually hand built at the Gorki heavy truck plant. It also has transistorised ignition for those cold mornings in the Kremlin garage, electric windows and air conditioning.

Just as Stalin's old Zil used to look like a 1939 U.S. Packard

so the Chaika 14 at first glance resembles a Lincoln Continental. Recently Jimmy Carter has been travelling to countries like West Germany with his own car and should Brezhnev try to do the same in the U.S. he can rest assured that the Chaika's fuelconsumption-17 miles to the gallon-will not yet run him foul of the federal authorities.

Fickle memory

One more in our series of frustrated shoppers: "I am looking for a Christmas carol."
"By Charles Dickens, sir?"
"I don't care who sings it as long as it is cheerful."

Observer



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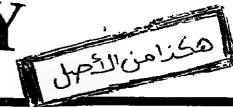
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FINANCIAL TIMES SURVEY

Tuesday December 19 1978



dull, not least because of

political uncertainties. Besides,

nobody can tell for how long the

trade unions will accept the

decline of real pre-tax incomes

has caused severe problems in

Canada where the cyclical posi-

tion calls for low rates, but the

been an importer of capital.

ment has had to step in as a

current account deficit. Some-

thing like C\$4.6bn in reserves

that should be manageable.

be one of industrial strife.

Problems

capital service.

to sovereignty is digging in.

The slide of the Canadian dollar may have brought the economy within sight Five key of a recovery, but unemployment remains high and the fortunes of the Trudeau questions cabinet are at a low ebb. In Quebec, a provincial Government dedicated on the tionship with the U.S. There had taken on a tired look, Mr. the country, Mr. Clark wants to than a generation have striven November 1976, have begun to two years has created a spring-always has been a school of John Turner, who resigned carry further the reform of to increase the political auto-rise again. There is no panic board for Canadian exports, thought that wants to reduce from finance in 1976, is gener-unemoloyment insurance that nome of their provinces. The future

By W. L. Luetkens

CANADIANS ARE having to live with no fewer than five uncertainties bedevilling the political and economic future of their country. Some will be resolved in 1979 or at least be brought closer to resolution; others will remain open for a long time.

Who will win the elections that must be held by next July? Until that is known the Trudeau Government will continue to suffer from a progressive decline

How far and how fast will Quebec push its case for more self-government, and how will English Canada respond? The next milestone is likely to be a referendum organised by the Quebec Government, some time after the federal elections.

What if anything can be done to amend the Canadian constitution? The desire to turn it into a firmer framework for French-English relations in Canada is the key task here, but many personal and regional enter into aspirations

What immediate measures can be taken to restore the health Robert Andras, a good adminisof an economy which has provided . Canadians - with a very good standard of living, but which has not been able to reduce high unemployment and has run into severe external payments problems?

What, if anything, needs doing to change the structure of the economy?' This is an argument almost as old es Canadian confederation and really revolves around the rela- to spruce up a casingt which

the economic dependence of Canada on its southern neighbour. There is little reason to suppose that it will make much more progress now than in the

The shakiness of the Liberal Government of Mr. Pierre Elliott Trudeau became obvious for all to see on October 15, when it was roundly defeated in a series of 16 by elections. Not a single Liberal was returned from a constituency outside Quebet. Even in that province, the traditional stronghold of the Liberals, they were struggling, though in the end they held one sare seat, lost none, and took one off the Progressive Conservatives.

On the evidence of October 15 one would have to conclude Mr. Joe Clark, leader of the Progressive Conservative Party, will become Prime Minister in 1979. But he has been on top of the world before and then fallen back again, judging by the public opinion polls. There is little reason to pose so, but fortunes could be reversed once more.

Mr. Trudeau has fought back with what should be a moderately popular sudget and hy trying to spruce up a distinctly ragged looking Cabinet. Mr. trator, has been appointed president of a newly created Board of Economic Ministers. His job will be to keep a check on Government programmes that have been proliferating to the accompaniment of waste and bureaucratic complications. In political terms the Board is to persuade Canadians that their economy is being managed purposefully.

The shuffle was also intended

from finance in 1976, is generally considered the only plausible Liberal alternative if Mr. Trudeau decides to give up. The decision would be his alone, is therefore hardly predictable.

A sharp attack on waste in Government programmes from Auditor-General during November has played straight into the hands of Mr. Clark who is preaching economy in government to free resources for industry. One of the ideas he is toying with is a "sunset clause " in every piece of legislation starting up a new programme, meaning a clause that ensures that the programme must be reviewed by parliament after a stated number of

Triumph

The Tory leader, youthful looking even for his 39 years, comes from Alberta. His election in 1976 was a triumph of organisation for a dark horse. That talent has not been lust. By all accounts Mr. Clark has mastered the Tory caucus, not an easy task.

One of his proposals is to sell to private investors Petrocan, the Government-owned oil company. Petrocan was intended to assure a Canadian presence in a U.S.-dominated industry, but Mr. Clark feels that Canadian ownership in this as in other sectors Levesque in Quebec. of Canadian industry can be month: "We shall be proposing means to encourage many more citizens to take their money from their Canadian socks and put it into Canadian stocks."

In keeping with the mood of

unemployment insurance that nomy of their province. That exodus, though he says, money should go to

His seeming lack of appeal to the French Canadians, need not mar Mr. Clark's electoral chances, since the French account for only about a quarter of the electorate and are concentrated in Quebec. The English majority, which has always been suspicious of Mr. Trudeau's attempts to foster bilingualism in government as a means to hold the country together, has been thoroughly disillusioned by the economic difficulties that have caused the Canadian dollar to decline steeply in the past two years. And as things stand, it is economics that will decide the election.

It may end with the Torics sweeping English Canada, and the Liberals almost sweeping Quebec. The implications for the unity of the country are obvious: Quebec separatists and those close to them will be able to argue that political patterns Quebec and the rest of Canada are already so different that it almost amounts to de facto separation.

It is a view already sedulously propagated by some supporters of the parti Quebecols (PQ) Government of Mr. Rene tactical intent is clear-to sugensured by other means. As he gest that there is something in-said in a speech in Toronto last evitable about the separation of Party and among the English Quebec in one form or another. speakers who constitute about

The PQ is proceeding with extreme skill. It misses no opportunity to stress that Mr. symptom of that: house prices economy. The main fact is that deficits on its trade in finished Levesque is one of a line of in Montreal, which plummeted the devaluation of the Canadian manufactures, relying primarily investment, between English

has already been undertaken to takes the edge off the novelty established trend of Englishreduce abuses. Where possible, of the PQ Government that it controlled financial institutions wants to cut adrift from Canada moving to Toronto has not been create jobs and to train people in a form of sourcrainete- reversed. Mr. Ryan's success association or sovereignty in may also have calmed the association with the rest of the apprehensions of the English-

> Sovereignty as defined by Mr. Levesque means that the Quebec Parliament shall have the exclusive right to legislate and to tax Quebeckers. Association means a common market, a common currency and monetary policy, and in political terms adherence to North American security systems such as NATO.

> In a speech during October, Mr. Levesque made clear that he did not want to have sovereignty without association. Will English Canada concede it? Mr. Trudeau and Mr. Clark are agreed that the federal Government has no authority to negotiate the separation of Quebec. In law they are right. In political terms a sweeping victory for the PQ in the referendum could create severe problems,

But will it come? At the moment there is no majority blocked were it not for Mr. tion in any form - but there is support for change. Even Mr. between the federal and the Claude Ryan, elected leader of the Quebec Liberal Party this only Quebec was interested; so year on an impeccably federalist was the west. Alberta with its platform, supports through amendment of Canadian constitution.

way towards re-establishing one in five of the Quebec popu-Quebec Premiers who for more, when the PQ came to power in dollar by about 17 per cent in upon energy and raw materials and French.

which has coincided with devaluation. Next year could speaking provinces, which plays into the hands of the PQ

tacticians. The same is true of Mr. Levesque's readiness to cooperate in a series of conferences of the 10 provincial Premiers and Mr. Trudeau to discuss constitutional reform. It generally agreed that there is something anomalous about balance of payments will not allow it. Canada has always Canada, a country of undoubted sovereignty, having as its constitution a 19th century Act of and now that business investthe British Parliament. Mr. ment is flat the federal Govern-Trudeau has for long wished to have an indigenous Canadian borrower to cover the sawning constitution, to "patriate" it as Canadians say. But to do so he must have unanimity behas been lost in two years, largely because of a huge deficit tween Ottawa and all the provinces on the new arrangement, on the travel account and for

can get it. constitutional debate would probably be entirely support in Quebec for separa- Trudeau's willingness to discuss a re-allocation of powers provincial governments. Not change gas and oil, and Saskatchewan which is on the verge of a uranium boom, and others as Mr. Ryan has gone a long well, hope to enhance their control over their natural constitutional resources bу

and it is hard to see how he

reform. A separate article of this survey is devoted to the cyclical lation. There is one clear condition of the Canadian

for a merchandise surplus? And has heavy foreign and especially U.S. investment stunted its ability to compete in world markets?

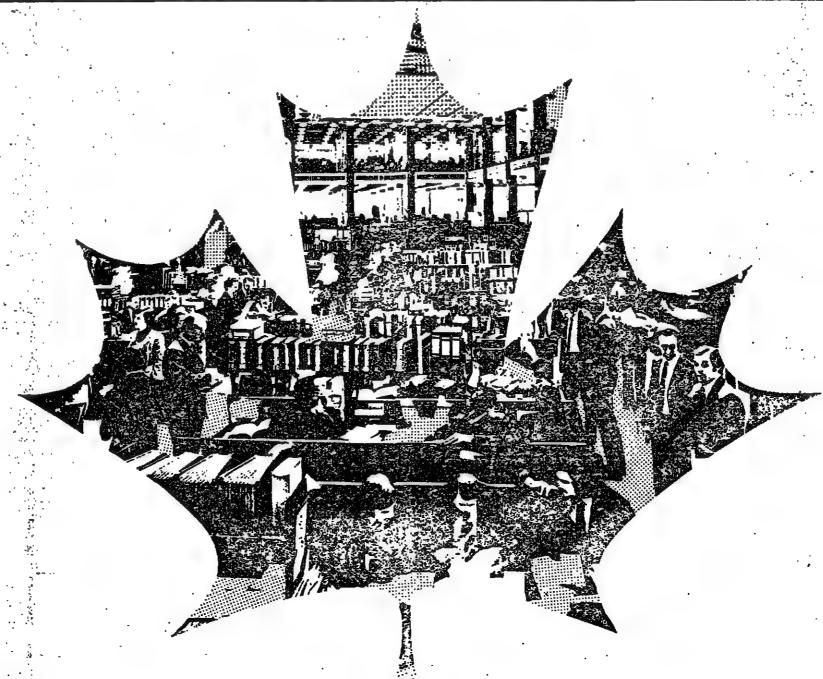
Sectoral working groups consisting of officials, industrialists and trade unionists are looking at Canadian industries with the view to evolving an industrial strategy. The pattern that appears to be emerging is against free trade with the U.S. something that had been proposed by a committee of the Canadian Senate-but in favour of some selective arrangements such as the agreement already existing for free trade in automotive goods across the U.S. border.

The Economic Council of Canada, a semi-official body, has proposed a C\$4bn fund to be spent in 15 years to redeploy industry. As industrial efficiency increases, tariffs should be cut The rise of U.S. interest rates to give the essentially nonmanufacturing provinces in the West and the extreme East cheaper goods.

Last month Mr. Jean Chretien, the Finance Minister, added to the existing tax incentives for research and development in At the moment is accounts for less than 1 per cent of GNP-a share which the Conservatives would like to sec grow to 2.5 per cent. The Science Council, another semiofficial body, has proposed using existing powers to screen foreign investment to promote the import of modern tech-

Foreign lenders do not seem to be unduly perturbed; Canada nologies. and for that matter Quebec, has Yet given persistently high been getting what it wanted. unemployment Canada will no The lenders probably had got it right. The current account foreign investors in the future deficit has been moving in a than it has in the past, even range between 2 and 3 per cent if it does use traditional techof Gross National Product nology. The Tories in fact are (GNP) in the past three years, disposed to look at the existing which is not dramatically higher powers of the Foreign Investthan in many a past period. The ment Review Agency to see cyclical problems of the ecowhether its very existence has nomy, therefore, are on a scale scared away potential investors.

The odds therefore are that The argument about induswhat structural changes there trial structure revolves around are will be gradual and small. two main points. Can Canada Canada will have to go on afford to live with buge C\$10bn making its compromises between nationalism and foreign



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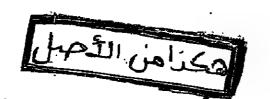
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THE ECONOMY

Uncertainty clouds investment climate

doubted gains it has brought up further, Canada could be will be lost again.

The impact of devaluation on the merchandise account of the balance of payments has been felt for some time. A surplus of about C\$3.5bn or a bit more is in prospect for 1978. At the same time, consumer spending received a boost during the year from remissions of retail sales

But neither the increased exports nor increased consumer spending have been enough to arouse corporate investment from the torpor that befell it three years ago. Not even steeply rising corporate profits achieved that. Cash flow in the business sector rose by 16 per cent last year and by something of the order of 18 per cent in 1978. In the third quarter the profits after tax of the larger corporations are estimated to have been almost one-third higher than in July-September

Blame

Much of the blame for the investment climate must attach to the many uncertainties overhanging Canada. The Quebec situation, while relatively quiescent, has not been settled; an election is in the offing; nobody can be sure how the trade unions will react to the ending of wage and profit controls this rear: and devaluation itself, while beneficial to importers, is bound to have an inflationary

Statistics according to which manufacturers are running their plant at about 86 per cent of capacity do not on the face of It support a case for investing now. But the figures imply that some plant must be almost flatout; nor do they allow for the need to modernise which must exist in many cases.

None the less most forecasts are that business investment next year will grow by no more than 2 to 3 per cent. On the strength of a survey of investarrived at 3 to 8.5 per cent, folunemployment rate of more than Recent increases of the dis-

count and prime rates in the U.S. have not been helpful. Since Canada relies on capital imports to balance its external

dian dollar by about 17 per cent rates duly went up too, with during the past two years has worked, or whether the unterpretation of the diagram of the Americans were to tighten

The conflict between the wish to stimulate the economy and the need to prevent capital outflows did not simplify the task of Mr. Jean Chretien, the Minister of Finance, when he introduced his budget on November The fact that it was his third this year shows how diffi-cult the Canadian Government is finding it to deal with its

The tenor of the budget was settled during a hectic period in the sumer and autumn when, on the initiative of Mr. Pierre Elliott Trudeau, the Prime Minister, the decision was made to cut spending plans heavily. Expected expenditure of C\$54.6bn in 1979-80 was reduced

to CS52.6bn in Mr. Chretien's Budget All going well, federal expenditure will grow by 9.9 per cent in the current year and by 8.9 per cent in 1979-80, rates below the nominal growth of

As a stimulatory measure and in order to slow down inflation Mr. Chretien cut the sales tax at wholesale level by an amount reducing revenue by C\$1bn in a full year. Other tax cuts will raise that amount to C\$1.45n. They are mostly designed to encourage research and development and mining exploration.

Economists reckon that the cuts will add between a half and three-quarters of a percentage point to next year's real growth bringing it up to something between 3} and 31 per cent. Mr. Chretien, ever the optimist, forecast 4 to 41 per cent, which seems high.

The strategy behind the Budget has been evolving for some time—to seek to transfer. resources to the private sector. That is in keeping with the increasingly temper of the country, though not enough has been done to satisfy the Progressive Con-

Mr. Joe Clark, the opposition ment intentions the Government cuts of C\$2bn, and is preaching economies in the civil serlowing on 2 per cent this year, vice and Government-owned Some intrepid economists will agencies. In addition to the go as high at 5 per cent, but tax cut he is proposing that, to make much of a dent in the on home mortgages of up to

posed cuts, there is a cut built

ratio unemployment

The existence of more than 800,000 unemployed has helped

effect of a rapid increase of exchange labour costs in the early 1970s.

conservative servative opposition. ...

even that would be insufficient over a four-year period, interest dollar will strengthen a hit vis-C\$50,000 should be made deductive open what will happen that the US avoids recession tible from taxable income. In against other currencies, but Canada's strength in the fle the first year that would reduce then it is the U.S. rate that of natural resources and energy revenue by C\$400m, rising to counts in Canada; some two-C\$52bu in the fourth year.

THE TESTING time has come accounts, it generally has to into the system. Tax allowances mists is that the Gana

for the fact that it will not bring present level of 81 to 9 per cent during the current phase of fast growth of the population of working age. Against the high unemployment rano the Government can point to the fact that employment has been

growing steadily in recent years. Since 1975 the number of persons with jobs has risen from 9.5m to 10.3m.

to keep wages down at a time when the country is coming out of wage and profit centrols. Throughout 1978 wages have been advancing by less than the inflation rate of about 9 per cent. Real wages before tax have been declining, even though they appear to have been more or less stable after tax. There have been strikes a-plenty but be the equivalent roughly of the some very moderate settle actual loss of reserves, ments as well, without confron- But that figure does benefit of devaluation a benefit which, by and large, has

Vulnerable

Should that happen, the heped for recovery of business investment will be further delayed, unemployment will remain rife, and the Canadian dellar will remain vulnerable. The Canadian Imperial Bank of Commerce has done an analysis the relative purchasing power of the U.S. and Canadian currencies, and has concluded that on that basis the rate That is not of course the manner in which foreign exchange dealers do their sums, belongs to none of the big especially where there are such large capital movements as

they expect the actual rate next year to be in the 8486 cents range. There is in fact some agreement that the Canadian a-vis the U.S. currency. thirds of Canadian, external thorough recovery. Besides these actual and pro- trade is done with the U.S.

which must show whether the keep domestic interest rates are indexed, which will lop chandise surplus will decline steep devaluation of the Cana- above the U.S. level. Canadian. C32bn off income tax bills in somewhat in 1979 to something. Real growth next year of 3.5 that the current account will go per cent or better would be from a deficit of around C\$50a; quite a respectable result, but this year to C\$5.5bn. Those

down unemployment from its perience, would be sustainable. But it would be better if the capital imports required to cover those sums, were more productive

What has been happening of late is that the federal Govern ment has had to step in and borrow on foreign markets to fill a gap left by reduced provincial borrowing and by re duced imports by private ning of 1977 up to the end of November 1978 Ottawa made bond issues in New York and Germany totalling the equivalent of U.S.\$2.2bn. In addition if drew U.S.\$2.4bn from lines of credit arranged with two bank-U.S.\$4.60n. The officially held reserves were held steady, so the U.S.\$4.6bn borrowed in

But that figure does not tell igion. The critical point here, the whole story. The loss to may come in 1979. Events then the Canadian system as a whole will determine whether Can seems to have been much less adish industry will lose the You can get an idea by looking at figures for unswappe deposits held by Canadian res countered out the deleterious dents in the form of foreign deposited Canadian banks. It has risen by U.S.\$2.5bn in a year. These taken by Canadians against the Canadian dollar (though not by the banks which, by and large, do not take positions in the

foreign exchange market). Canadian dollar is restored, those funds might flow back very quickly. The result could Canadian manufacturers would ought to be about U.S. cents not like that. There is much of 90.91 to one Canadian dollar, a structural nature that working against them; prin cipally a small market which

economic blocks. On the positive side there is The Bank economists say that hope of continued moderation on the wages front, and the possibility that the expected slight upturn of business investment will gather impetus. Provided the world environ-That ment remains right meaning Canada's strength in the field

could provide the basis fro a

FORESTRY

Mills enjoy peak year

industry is reaching the peak of its current two-year upswing. Record high North American interest rates will slow down economic growth and housing construction next year. This implies more sober times for the industry, even though world markets outside North America may well improve.

Paper and forest products companies have been going through a heady year. Their stocks have outperformed most other groups in the market. Canada sells about threequarters of its newsprint and building lumber in the U.S., and it is the U.S. market, because of its huge size, which indirectly controls the cycle in the forest products Canadian industry.

U.S. demand for newsprint and lumber soared in 1977 and 1978, just at a time when the Canadian dollar was being floated down to the largest discount since the 30s against American currency. The impact on the Canadian industry has been dramatic, both in activity and profits. Nearly all the mills have been working full out, especially those making newsprint - where total Canadian capacity is around 10m tonnes.

Canadian producers have been getting an average of about 16 per cent exchange gain this year, on products sold in the U.S. Gains have also been made U.S. from the sharp appreciation of some European currencies and

fell back between 10 and 20 per Sales were \$503m, against cent as the North American \$330m. The net contribution housing markets faltered, but to earnings of exchange gains

NEWSPRINT SHIPMENTS (000's short tonnes) 1976 1977 1975 8.712 Can. shipments 8,915 Can. output Can. capacity Output: capacity % U.S. output: capacity % 1,200 U.S. consumer invent. (e) estimate.

newsprint and pulp prices are firm. Newsprint producers have given notice of increases of \$20 to \$25 a ton (U.S.) early in the new year. They argue their costs are still rising fast and their exchange gains could evaporate should Canada's evaporate should Canada's troublesome world pulp inventional to the state of the dollar policy swing into another

The federal budget November improved the investment tax credit and extended equipment. These measures should help the Canadian industry's competitive position over the long term. The experience in the first

nine months this year of British Columbia Forest Products, a major Western producer of ance in general. B. C. Forest, one of the best-managed firms, is controlled by Noranda Mines and Mead Corporation of the

The company earned (Can.) \$45.6m, or \$2.99 a share, in the nine months against \$23.1m, or In the autumn lumber prices \$1.50 a share, a year earlier.

(on mainly U.S. sales) was sing the state, against 45 cents a year earlier.

tory at the start of the year has dropped to 1 im tons. Strong has stated quite clearly that demand and better prices are expected for market pulp well into 1979. While North Amerifast write-offs for anti-pollution can demand for lumber is likely to ease, overseas sales, especially in Japan, are looking up.

most other companies, has been in fringe benefits. running its newsprint machines . The industry has been subject newsprint pulp and lumber, outs firms are neavier in news Generally it has had low print, even if there is a margins, highly sensitive to the newsprint showdown in 1970

controls. Contracts covering two years from May 1, 1978, have ben signed with little disruption in the East, and total about 12 per cent.

This is considerably lower than the average increase signed this year alone in the U.S. of 10 to 11 per cent, and goes some way to reversing the trend of recent years. By the start of 1976, it was estimated that wage costs in the Canadian industry had reached nearly 20 per cent above those in the U.S., assuming the two dollars were around

Wage and price controls finally come off at the end of 1978. The unions in the East and the West have been closely watching the profit experience of the companies. In the West, the International Woodworkers members regard exchange gains as a "major windfall" for the companies. When they negotiate next spring, free of wage controls, they will be seeking increases in line with American B. C. Forest, in common with settlement plus improvements

at around 100 per cent capacity, to some violent swings in its In the East, where forest pro- fortunes over the past 20 years. ducts firms are heavier in news Generally it has had low newsprint slowdown in 1979, swings in demand, and lowsome offset is possible from stock market prices in relation firmer packaging and fine paper to assets and equity. Its cost markets. Newsprint inventories structure has been climbing in-are now about normal. exorably, particularly since the In 1975, double-digit pay energy crisis. The capital cost claims by the Eastern Canada of new mills, expansions of new pulp and paper unions were one. newsprint machines, has almost reason why the federal Govern doubled since 1970.

ment reversed its stand and A new medium-sized pulp brought in wage and price mill in Eastern Canada today

CONTINUED ON NEXT PAGE.

FINANCE

Delays in important mate hanking legislation

Trudeau's decision to postpone a federal election until next year was one of the most analysed political events of 1978. Amid the public uproar one implication received little comment; but it was a matter of great importance to the Canadian financial industry. The continued life of the current Parliament meant that new banking legislation, in process since 1978, would have a fighting chance of getting through in time to become effective by April 1 next, the most recently set deadline.

The two delays that have already occurred in introducing the revised Bank Act have caused considerable uncertainty in the Canadian financial world. At the same time some financial executives who believe that Parliament will finally get around to enacting the new legislation have set in motion a number of complex deals aimed at preparing their organisations for the brave new world of banking envisaged by the Act's designers.

An unusual chorus of approval from the financial industry greeted the new legislation when it was introduced in May of this year, although one concession suspicions about boardroom relationships a severe restriction on the kind of outside directorships a banker could hold—shook them a little:

They were partly mollified, however, by significant reductions proposed in the amount they would have to deposit as statutory reserves with the Bank of Canada—deposits which earn no interest.

Executives of the increasing number of "near-bank" financial institutions were pleased to learn they would escape the imposition of federal reserve requirements—something which had been proposed in the Government's original policy paper but did not survive into

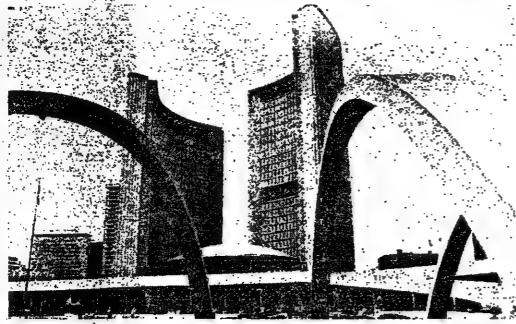
Investment analysts and of course the bankers themselves the prospect of improved profits for the banks, principally from money freed up by the new rules

Even foreign bankers, while not exactly enthusiastic about legislation that would bring them under Canadian Government regulation for the first time and limit their growth, were comforted by the decision that an important restriction on their size would be a matter of Government policy and not written into the Act. Policies can be changed more easily than

More recently, as the fine print of the legislation is read closely, more complaints have been heard from a number of quarters.

The current forum for criticisms of the proposals is the House of Commons committee on finance, trade and economic affairs. In an unusual move the House agreed to refer the legislation to the committee for detailed examination before the Bill had received its second reading, signifying approval in principle by the whole House. Government spokesmen argued that this could cut the revision process by up to six months.

The Commons did not have second reading stage before the summer recess. By going and future growth of the banks. - The bankers' group was also



The city hall of Toronto, Canada's financial capital.

summer-long halt in the process was avoided, interested MPs got a chance to study the ramifications of the legislation and outside organisations had another opportunity to prepare briefs for submission at committee hearings during the autumn.

All this may of course only serve to confuse the legislators rather than enlighten them. To take an example: they were confronted recently by a

brief from three of the country's largest trust companies that argued that the new legislation would seriously weaken their competitive position against the banks.

Then a week later they received a brief from the influential Canadian Bankers' Association (CBA) that argued the new legislation would be unfair to bankers.

The trust companies brief recalled that the Government's a principal objective was to provide for "a banking and financial system as competitive as possible." Yet the Act will allow banks easier access to

On the face of it such changes might be construed as making the stem more competitive, which is the banks' view of the situation. But because of the remarkable difference in size, the banks argument is rather like saying that the elephant and the mouse should be free to compete with each other without any restrictions.

Mr. Kenneth White, chairman of the country's largest trust company, the Royal, said before the Commons committee that even the present competitive position of the trust company industry is inequitable in that the combined assets of the seven largest trust companies are not equal to the assets of even the fifth largest bank by

The fact that the banks so completely dominate the Canadian financial scene has be this for granted but quarrelled devilled many a scheme to with a number of other aspects. rationalise the regulatory struc- Its principal complaint was a ture of the financial industry. Proposed new 3 per cent reserve they account for 67 per cent of deposits, which would not, how-

light of day earlier this year the banks have not so far had to bankers breathed a sigh of re-hold statutory reserves in re-lief that it did not contain any spect of their growing foreign in Canada's financial system. direct restriction on the size currency deposits.)

Many bankers had been con- not enamoured of the prospec tive changes of this kind hebelief that the banks are big. fat and indolent.

The bankers naturally think

differently. In their view the banks are big because they are efficient and very good at delivering services people want. Moreover, the banking industry Canadian-controlled Canada that is big enough to compete with its international rivals head on. In fact, the Canadian banks have done well on their foreign business and have a justified international

Restriction

policymakers Government appeared to accept the bankers' view of things, both in their original policy paper stated that original White Paper and in the final draft of the Bill. They refuse would allow the banks to enter almost every financial market in Caneda. At the same time they easier for trust companies and would restrict the banks' most other institutions to transform themselves were pleased about mortgage funding, tax-deferred dangerous competitors, the subsavings plans and long-term sidiaries of foreign banking suit would be to strengthen deposits, the very heart of the organisations, to a maximum of federal control over the finan-trust companies' business. lending by banks in Canada. putably a federal responsibility An individual limit of C\$500m under the British North America on the assets of any one foreign Act. But many other types of banking organisation would be financial institution are reguapplied as a matter of Govern- lated under provincial government policy but would not ment powers. actually be written into the legislation itself.

loans in Canada and raising funds on the Canadian money market-though they must not call themselves banks and operate under provincial, not federal law. Most of these appear likely to set up foreign banking subsidiaries under the new legislation. That would bring them under federal regulation for the first time, a prime objective of the Canadian banks.

The recent CBA brief took all With their C\$170bn of assets requirement on foreign currency ever, apply to foreign banks the whole industry.

ever, apply to foreign banks
When the new Bill saw the operating in Canada. (Canadian

cerned that the Government of not being able to dominate might propose politically attrac- the proposed new clearing body, cause of the common public turn, even though they account of payment items handled by the present clearing systemwhich is operated by themselves -and 98 per cent of the value. votes on the board of directors of the association, and that this could lead to adoption of too legient liquidity requirements on members under

> credit unions. Overall, however, the new legislative regime would seem to make bank status a most desirable one. Indeed the president of the Trust Companies Association of Canada recently said the Government has made other financial institutions an offer they may find hard to

from the other financial institu

tions, such as, for instance

The new legislation contains provisions that would make it

An immensely complex merger scheme now under way Between 40 and 50 foreign will provide an interesting test banks are already heavily in- of whether such things can be volved in making commercial done in future. One of the big three Canadian trust companies. Canada Permanent, recently announced it was holding exploratory talks with Canada's biggest sales finance company. IAC, about an eventual amalgamation of the two companies. The interesting thing about

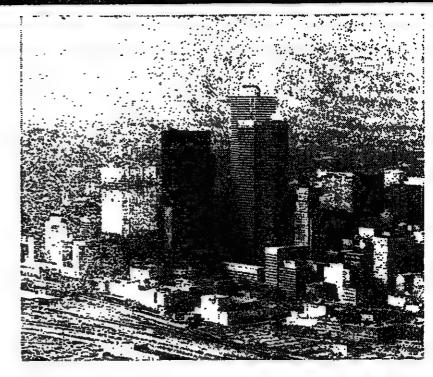
this manoeuvre is that IAC has already gone through several years of arduous preparation for turning itself into a bank. Its banking subsidiary is scheduled to begin operations next June and eventually IAC and its subsidiary will be united into one organisation.

Canada Permanent would not come into the picture until after IAC's bank was in action and after the new banking legislation has become law. But the move is a fascinating indication

Hugh Anderson

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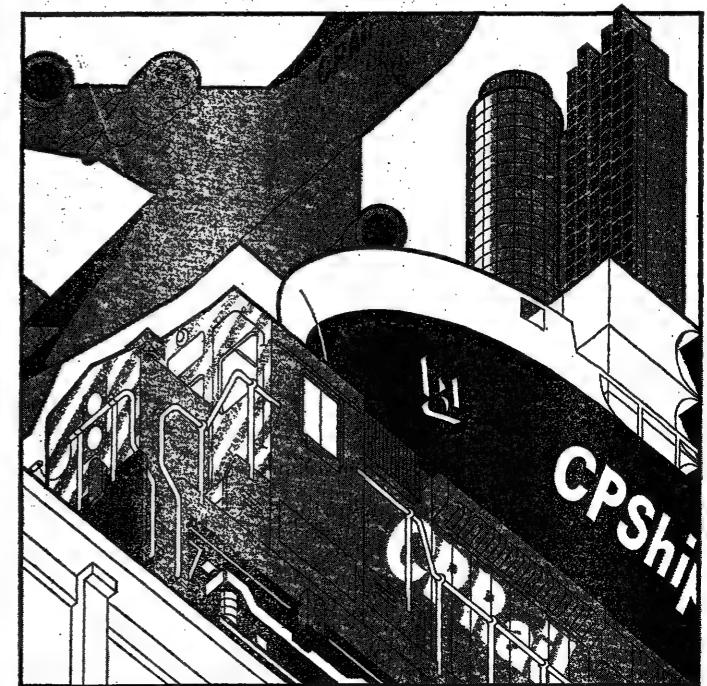
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CONTINUED FROM PREVIOUS PAGE

north of Quebec City, now in operations. The group has print mill at Quebec City has the start-up phase, will have cost over \$300m when it is all U.S.

During early autumn, it was in place. A new newsprint machine has a price tag of

The high cost of plant and relatively low stock market prices for many of the producers' shares has encouraged takeover attempts and rumours of takeovers.

The most dramatic move came during the summer when a Toronto-based investment group appeared to be trying to get control of Abitibi Paper through acquisitions of large blocks of stock in the market. Abitibi, which then owned just over 50 per cent of Price Company, of Quebec City, as a group had become the world's largest newsprint producer. Its stock was widely held.

Foiled

led to Abitibi buying the rest of the Price Company shares, and

Donohue-St. Felicien pulp mill tion of the two companies mill in Ontario. It old news-machines. Coated paper capa-

Abitibi is taking over the shutdown Stephenville linerboard mill from the Newfoundland Government for about-\$43m and will convert it to newsprint production mainly through adapting the machinery and giving it greater speed.

Despite the strength of the two-year upswing, a few com-panies have failed to pull out of the doldrums. The most conspicuous has been Reed Paper, owned by Reed International of the UK. The company had been over-ambitious in its capital spending and diversification pro- high cost of meeting environgramme, and is only now get- mental standards. ting back into the black.

pulp assets in Western Canada continue. The Donohue-St. proceeds have been used to into operation at a time of reduce debt. The company is better prices. Major capital concentrating on its traditional investment projects have been forest products base, though examined, and there has been there remain major environ- talk in the industry of the

costs well over \$200m-the new will bring about greater integra- mental problems at its Dryden possibility of two new newsprint

confirmed that Reed International was having "pre-liminary negotiations" with several Canadian companies, including MacMillan Bloedel, towards selling its 87 per cent voting interest in Reed Paper. There has not been any further word on these negotiations.

The industry is still cautious about putting in new major capacity in all forest products. because of the uncertainty over exchange profits, the problems with the American economy, less-than-adequate longer-term return on investment, and the

In the East, machine speed-Reed Paper has sold major ups and other improvements and other interests and the Felician pulp mill is coming

city is being increased by some companies supplying the U.S. market mainly. In the West several major

companies have embarked on

fairly large programmes to adapt their operations to smaller-type trees, but some are programmes which were delayed by the last industry recession. It seems likely that at least one newsprint machine will be installed in the next two years. Both Ontario and Ouebe have announced tentative proexpand capacity judiciously and meet the cost of cleaning up pollution, but it remains to be seen how effective these will

Even if the Canadian dollar firms next year and the Carter economic measures check U.S. growth, the industry sees some improvement in overseas mar kets and a favourable outlook generally for the first half. Beyond this, the uncertainties

R. G. Gibbens

ALUMINIUM

Demand stays firm

industry, based in Quebec and the U.S. British Columbia with enhual ingot capacity of well over Im topnes, has had a very active year. The surplus inventory problems of 1975-76 are over. earnings have rebounded, and the industry helicves it is in the most favourable cost position lation centres. The smelters sell

this year will have probably markets, while the fabricating shown a gain of 5-6 per cent, plants concentrate on the needs but the real strength has come in the U.S. market. Demand for aluminum products of all kinds in the first nine months was

Aluminum producers in the dollar area, with the decline in the external value of the U.S. currency, have a distinct advantage over producers in Europe and Japan, where smelting costs have soared and environmental concerns have brought some

severe cutbacks in output. The North American base input price at the end of the summer reached 55 cents a oound, up in two steps from 51 cents early in 1977. Secondary metal prices have risen in line. The market strength has come from active car, truck and aircraft industries, a high level of housing starts, and heavy demand for consumer products of many kinds. Some sheet products have been in short supply in the U.S. this autumn.

However. European and Japanese base insot prices have heen around 63-65 cents (U.S.) pound equivalent, and ential, very little metal has new capacity is coming on representing an investment of \$200m Grande Bale smelter power 20 years ago has been moved from Europe or Japan stream. But further price \$2\frac{1}{2}\text{bn} in energy alone. The south of Arvida is going ahead, entirely justified by the world L'industrie aerospatiale qui Quenec

əmelling industry is based in Quebec and British Columbia because hydro power is available in large quantities at stable rates. Fabricating plants are spread across the country in the major popua good majority of their ingot At the world level, demand to the U.S. and other foreign of the domestic market

The floating-down of the Canadian dollar in 1977 and 1973 had an immediate effect on the Canadian primary Industry's competitive costs. Just as U.S. demand began to climb, the Canadian dollar moved down against the U.S. dollar, compensating for wage costs which had earlier tended to get out of line

Satisfied

in this environment. Canadian primary producers say they are generally satisfied with the present level of 35 cents (U.S.) for ingot though they see un-certainties shead if more capacity is required to meet growing demand in the nearterm. Plant replacement costs have doubled in the past four or five years, and depreciation rates based on historic cost are unreasonably low, argues the industry. The higher profits now heing shown are really illusory hecause of continuing high

If world demand grows at an level. Canadian domestic markets average annual 4 per cent, thenhave been relatively sluggish, retically the market would be ential, very little metal has new capacity is coming on

CANADA'S primary aluminum (continuing surplus areas) to increases are necessary if whole smelling expansions are to go including independent fabricaahead even where favourable energy costs are available.

> smelting capacity, about 53 per cent is based on hydro power, 25 per cent on coal-fired electric power, 19 per cent on oil and gas, and 3 per cent on nucleargenerated energy. Japanese smelters have suffered the most from the leap in oil prices since 1973 because they are 80 per cent reliant on oil.

The cheap energy areas of the world could host some new aluminium smelters in the future but progress may well be held back because of lack of infrastructure in those countries. Thus the Canadian industry argues with some conviction that the remaining developed areas where ample hydro resources remain will play a major role in the increases of capacity required to meet growing world demand.

Canada is the world's third largest producer of aluminium after the U.S. and Japan. The Canadian primary industry consists of Alcan Aluminium, based in Montreal, with nearly 1m tons capacity in Quebec and British Columbia, main rolling mills in Ontario and fabricating plants across the country; and Can-adian Reynolds Metals, with 175,000 tons capacity and main rolling mills also in Quebec, and fabricating plants in the main population centres. Kaiser has no smelting capacity in Canada but operates at the fabricating

The Canadian smelters are based on hydro power-captive mid-1980s. But because of the price differ- in balance by 1980, because little entirely in the case of Alcah and

tors, employs about 50,000 people directly, and is the main-Of total Western installed stay of several important towns and cities.

Expansion of Canadian rolling mills and fabricating plants is mainly tled to development of the Canadian market, though possibility of General Motors building a castings plant in Eastern Canada remains active. This would be of North American scale. The Federal Government is committed to a grant of about \$58m towards tons capacity plants. It does the total cost (reported at not now use all the hydro about \$500m) if the castings plant is located in Quebec. Federal grants are available for blow-growth high-unemployment areas of the country.

The Quebec Government has also promised its own subsidy, but General Motors has insisted it has not yet decided finally whether to go ahead with a plant at all. It is believed GM would prefer to locate such a plant near Alcan's Beauharnois smelter west of Montreal, in which case it would have access to alternate supplies of metal from Alcoa and Reynolds just south of the border, but in the same geographical area, if

But some argue that it should by located near the big Arvida smelter of Alcan, 150 miles north of Quebec City. The final decision may yet turn on whether GM and the other large auto companies are ready to back aluminium-alloy engine blocks for smaller cars in the

At the smelting level, Alcan's

aluminium industry, and the steelwork for the first 63,000 tons potline has been erected. This first phase will infrastructure for include further potlines to be added later in the 10-year modernisation and rebuilding programme for the whole Arvida smelting, fabricating and chemicals com-

> Engineering is being done on the second 63,000 tons potline, though a decision has not you been taken, Alcan has ample power available at Arvida for expansion of its existing 465,000 power it owns in the area, selling some to municipalities. However, under agreements with Hydro-Quebec, the provin-clai power utility. Alcan will "draw back" power being sold outside and use it for smelting purposes once Hydro-Quebec brings in the \$16bn James Bay hydro project.

Expansion

Because of the strength of world markets, Alcan is also closely looking at expansion of the Kitimat smelter and hydro power plant in Northern and has reorganised its world-British Columbia, where it has wide raw materials, shipping, almost 300,000 tons ingot capa-smelting, fabricating and marcity. This will require building keting activities on an area a new 10-mile tunnel through basis. It is offering engineering a mountain range and an increase in powerhouse capacity and transmission facilities. The increment in ingot capacity study for Iran. It has sold 60,000 operations in both provinces. might be 100,000 tons.

Altogether, the Alcan group in Canada has installed 31m kW of hydro power. It believes its decision to develop the Kitimat



Crustbreaking in Alcan's Arvida works.

what has happened since to the cost of non-hydro power. In Quebec it has agreed to higher water taxation, but this is geared in future years to Hydro-Quebec's base industrial

The company has signed new agreements on bauxite mining with the Jamaican Government, and marketing services in many other countries and recently completed a smelter feasibility

and is closely watching that Quebec smelters (four with market for the future,

The Reynolds smelter at Bale Comeau on the St. Lawrence takes its power from Hydro-Quebec but is regarded as in a strong position from the cost point of view. The possibility of Reynolds adding new potlines to the present 175,000 tons yearly plant is active. Most of the Baie Comeau ingot moves to the U.S. Reynolds fabricating system.

Quebec and British Columbia, the tone in labour relations is set by Alcan because of the scale of its

energy crisis of 1973-74 and tons of ingot to China this year. Alcan's labour contracts at the expecity of nearly 700,000 tons) run to the cod of next May and the Kitimat contract runs to October 1980. Difficulties cannot be ruled out in Quebec next

> Generally the industry is expecting another good year in 1979, though the growth in North American demand may slow, especially if President Carter's economic measures bite into U.S. growth. It sees overall world demand as growing about 4 per cent or slightly more, especially if European and Far East markets pick up. R. G. Gibbens

MOTORS

Attracting U.S.

investment

C\$68m last August to build a plant locations.

to entice north of the border a plant that might have gone to the U.S. served notice that Canada is getting into the locentive game to lure some of the C\$40bn the North American motor industry intends to spend over the next seven years to meet fuel economy requirements and maintain pollution control and safety standards.

The Ford grant was the result of an agreement between the Canadian federal government and the Province of Ontario. After some initial blokering (in public) about who was going to pay how much, it was agreed that Ottawa would contribute and the province

Ford had asked for C\$75m. It claimed that much was needed to cover the additional cost of building in Canada instead of the U.S. where costs are lower. The losing American State in this lastance was Oblo.

The deal also brought a bowl of outrage from those Canadians already angered by an apparent lack of new investment in Canada by the North American car makers, particularly in relation to the size of the Canadian market. Last year this accounted for 8.4 per cent of North American vehicle sales.

They argued that Canada was not getting the fair share of new motor industry investment they claimed was implicit in the Canada-U.S. Auto Pact of 1965. The pact provided for the rationalisation of the industry in both countries and permitted duty free entry of new vehicles and original equipment parts from each country.

Safeguards were included for the Canadian industry, made up of subsidiaries of the U.S. Big Production in Canada was to match sales in Canada and 60 per cent of Canadian production to have Canadian content. Opponents of the Ford agreennent contended that new investment should come to Canada by right, not by incen-

The Ford move also brought an intervention from Washingion. It protested against the use of national treasury funds to lure industry, although It did not mind provincial incentives. It was apparently mindful of the fact that U.S. States have also engaged in a bidding war to attract new industry, as in the case of Pennsylvania and Volkswagen, or Ohio and

The significance of the incentives granted to Ford has not been lust on other vehicle prodding of Canadian vehicle

FORD MOTOR CO., through its anxious to get at the funds Government has come under Canadian subsidiary, Ford which are available from Ottawa strong pressure to induce the Motor Co. of Canada, was given and the provinces for new Big Four to place more parts

C\$533m engine plant at Ontario, where the bulk of the Country.
Windsor in southern Obtario. Industry is, has declared Last year Canada had a trade
It has no intention of withdraw. Simplify with the U.S. of C\$2.1bn would not compete with sister provinces for new plents, it would do everything possible to gain a plant from a U.S. Stafe or a third country. The province has also stated

it will not be deterred from approaching the federal Government for further cash grants. spokesman said: grants appear to be a necessity. If anything we'll be broadening the scope of that activity. We are in a competitive game."

A motor industry task force act up by the federal Government to look into future investment in the industry has urged Ottawa to take immediate steps to improve the climate for new investment in this sector.

Although southern Onterio Is strategically located for new plant sites because of its proximity to Detroit, other provinces - such as Queber, Manitoba and British Columbia -are not just sitting on the sidelines.

Aluminium

Even while the Ford negotia-tions were under way. General Motors of Canada had received an offer of C\$80m to lorate a C\$400m sluminium die-casting plant near Montreal. . Ford is, considering an aluminium foundry project which could go to

General Motors is proposing diesel engine plant and an assembly operation for Canadian locations providing grants are available. The diesel plant could go to Ontario, the U.S. or a third country; the assembly operation possibly of light trucks, could go to Ontario, British Columbia or a U.S. site.

The many proposals for new plants has served to deflect for the moment criticism in Canada the Canada-U.S. vehicle Canadian deficit in trade in this sector between the two countries. In only three of the years since the pact has been in existence has Canada had an overall surplus.

While most people—and certainly the vehicle makersagree that the part has been beneficial to both countries the contention of critics is that Canada has been short-changed, especially in the area of parts manufacture and research and development.

There is no strong push for a renegotiation of the pact, at the imposition of counter-tailing though the demand is often from plant built with that sort made, but under the agressive of help. They too have been parts makers the federal

work and R and D work in the

the vehicles (30) per cent of Canadian production goes to the U.S.) and a meacit of Callinn in parts, resulting in an overall deficit of Calling, Since 1965 the cumulative total of the Canadian vehicle trade dendt now totale more than CSIIon. This has occurred mainly be-cause the part encouraged vehicle assembly in Garada. Assembly requires more workers than parts manufacturing and therefore provides more

In Jone the federal Government decided on yet another study of the vehicle industry in Canada. It appointed Mr. Simon Reisman, former Deputy Finance Minister and one of the original negotiators, to report on the development of an internation-ally competitive Canadian motor industry, particularly in view of

made over the next few years. The Government Balanced growth in the industry. With Canada now accounting for close to 10 per cent of that market. It feels that Canada should be able to look for new investment reflecting the importance of the Canadian market. 🦙

Reisman's examination covered the nature of ownership and control of the industry in Canada (all foreign-owned), research and development activity (practically none) as well as relations with producers outside North-America. Their cars, on which there is a 15 per cent duty, accounted for about 18 per cent of the total Canadian

The Reisman report, released in the latter part of November, came down solidly in favour of developing a strong vehicle parts industry in Canada, backed by government loops and nuarantees for expansion and research and development. He said Canada had little chance of agreement and the recurring attracting any major vehicle essembly operations for the had no alternative but to develop its vehicle parts industry to compete on a world scale in international markets.

Mr. Reisman said that the time was not now right to renegotiate the auto pact as Cenade might lose more than it would gain. His report also centained a warning about the race to attract plant to Canada. The use of federal Canadian funds, he said, risked antagonising the U.S. and might court the imposition of countervalling-

Ken Romain

Dalance of power shifting to West in 1980s Création de nombreux Major new projects for Saskatchewan emplois spécialisés Uranium discoveries come in quick or Look for big 79 exports even if U.S. slows down Nouveau regime d'assurance stabilisation des le agricores Pour une plus grande autonomie du Québec It's boom time for steel Manufacturers more optimistic Northern pipeline may be just the icing on the cake as industry stages turnaround over 4th quarter C\$ and US\$ moving up in If the U.S. Federal Reserve Board succumbs to Little are by opening the money spier

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MINING

Rising optimism as prices firm up

THE HUGE mining and metals has brought some new life operation in the first phase in 1980s, making Saskatchewan a industry stretching across to the old Northern Ontario and 1980-81, assuming all required producer in the world league due to the recovery in most ing at an annual rafe of nearly non-ferrous metals prices, rising \$500m. The Noranda group is hopes for the role of coal, and planning to develop the Chadstrength in precious metals, bourne Hill property near the There are also signs of a more town of Noranda, Quebec, to favourable tax regime from small-scale production. There

excitement continues to be at current metal prices, profit-Northern Saskatchewan, where able operation is doubtful the manium search has reached because of the fast rise in costs. Many European

in nickel, and the world over-supply may well last another believes the Midwest Lake find mining operations were shut Minerals (Exxon) may well down in August because of prove one of the world's largest mounting inventory and low and richest known uranium prices, and then in September deposits. the United Steelworkers came

gold price to over \$200 (U.S.) trols. The mine would come into ing in the province by the mid-

Governments, are other small-scale properties in exploration, the centre of known for many years, but even

The excitement in Northern companies have interests in Saskatchewan's uranium helt potential new mines or proper continues despite signs that the ties in the exploration or world uranium price has development phases. reached a plateau of US\$40-plus But there are deep problems per pound of oxide for new con-Inco's main Sudbury by a group headed by Esso

Virtually every Lanadian and inte resource company is repre-sented in the North Saskatcheno sign that the federal Government's new rules saying any new uranium mining operation must be Canadian-controlled have dis- Midwest Lake). couraged exploration or developin Northern Saskatchewan for several years.

From the drilling information disclosed so far on the Midwest Lake deposit by Esso Minerals and partners Bow Valley Industries and Numac Oil and Gas, it is clear that mining operations prove one of the world's largest could start in 1984-85, and would have a 25-year life assuming annual output of around 10m Another favourable factor was pounds of oxide. Cost of

at the big Gaspé Copper Amok company should be Midwest Lake is the largest mines and smelter, controlled allowed to go shead with of a number of Saskatchewan by the Noranda Group, in north-development of its Cluff Lake uranium finds. Some mining uranium mine, subject to strict people are highly optimistic and The rise in the free market environmental and social con- claim 10 mines could be operat-

Canada: Is seeling more opti- northwestern. Quebec gold Government consents are forth- and more important relatively mistic as 1978 comes to an end, mining ereas, which are produc- coming in the next few months. than Ontario and its Elliot Lake coming in the next few months. than Ontario and its Elliot Lake seems on the optimistic side.

But reliable estimates show the province already accounts wan uranium search. There is for about haif of Canada's total uranium reserves, measured, indicated and inferred of nearly 600,000 short tons (including

Saskatchewan now has two ment. French and West German mines operating — Eldorado interests have been conspicuous Nuclear and the Gulf Canada mine at Rahbit Lake-and two in development: Amok's at Cluff Lake and another at Key Lake in which the West German Uranerz group participates.

> presence in the uranium industry, directly participates in more than 100 joint-venture exploration or development projects with the private sector.

is located on about 1,440 acres, nickel and silver have been re- agreeing to a more liberal ation has restored the competi- industry in Canada.

uranium belt. However this and Asamera Oil, Calgary, are among those with active new projects either based on new finds or on bringing old properties back into production. All are near existing milling plants. The cost of Saskatchewan exploration in 1977 was probably around \$30m, and this year has risen to somewhere between \$50 and \$100m.

However, there are risks of delays in mine development lower. from new environmental and the Bayda Report, possible and strong gains in cobalt, impact of public fears of un-silver and gold have offset The provincial Government, restrained granium mining, and partly the gloom in the nickel determined to increase its inadequate solutions to the market. Silver is produced latter issue has been given less and as zinc demand picks up. attention in Canada than in the U.S. and Europe, Mining and metals account

ation imposed long, on the Pre-Cambrian last boom in 1973 has been Besides a high average uranium vinces and the federal governcontent, significant values of ment are well on the way to

expenses and of the cost of new

mining town sites.

The industry does not see another world crisis in commodities coming in the foreseeable future. It is keenly aware of new sources of non-ferrous being developed in other parts of the world where costs are

Recovery in copper, lead, health rules being written after zinc and molybdenum prices, problem of nuclear waste. The mainly as a by-product of zinc. more silver is available for

marketing.
In Quebec-Labrador, iron ore recognized ship commissioned by the Saskatchenickel from inventory, its wan Government, which reconcopper was held up by a strike mended that the French-owned
at the big Gaspé Copper Amok company should be saskatched at the big Gaspé Copper Amok company should be satisfactory. Second price in
second at the big Gaspé Copper Amok company should be satisfactory. Second price insecond at the big Gaspé Copper Amok company should be satisfactory. Second price insecond at the same acquire an equity for well over one-quarter of operations began again in the constant and interest in any property bought after March 1, 1975.

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Second acquire an equity for well over one-quarter of operations began again in the constant and interest in any property bought years how important the strikes at Inco and Gaspé industry is to the balance of Copper certainly helped the The Midwest Lake discovery payments. The punitive tax- copper price situation, but in British many in the industry believe one mile wide and six miles. Columbia at the time of the the price recovery is broader. Dynamics. based and will be maintained if President Carter's dollar- Canadian coal to Japan have Shield between Lake Athabasca repealed and modified and President Carter's dollar. Canadian coal to Japan have and the Wollaston Lake Fold. there is hope that both pro- defence measures do not stille fallen off and prices in real

Cenex, Toronto, Gulf Canada, per cent to 100 per cent of caution in undertaking new the write off for federal tax large capital investment pro-purposes of development jects at present prices. This does not prevent the recent speed-up in exploration in most areas of Canada gathering pace. The Northern pipelines will open up large areas of the Yukon and North-West Territories to more intensive exploration in the next few years. There are many prospects for non-ferrous metals, precious metals and also critical items

such as tungsten in those areas.

Upturn

Ashestos markets have been slow through much of 1978, and Canadian shipments were off 13.8 per cent in the first seven months. There has since been an upturn, and some producers have announced price increase. The fourth-quarter firming in the world market is expected to earry through into 1979. The Quebec Government is asking for powers to expropriate Ashestos Corp., second largest producer of the fibre in the province, owned by General

While shipments of Western terms have weakened, a new While Canadian dollar devalu- industry is opening up for the

ported in the ore. The location approach to taxation. The tiveness generally of the thermal coal is beginning to is 185 miles south east of Federal budget of Nov. 16 Canadian mining and metals in move via the Great Lakes to transium City.

The tiveness generally of the thermal coal is beginning to Canadian mining and metals in move via the Great Lakes to dustry, there is still extreme Ontario power stations as the price of American coal has risen and long-term availability is subject to doubt.

In the East, new studies have been done of underground and undersea coal reserves in the Maritimes and several new mines will be opened in the next few years to reduce reliance on imported oil in power generation.

The potash mining industry,

an unportant factor for the past decade in the Saskatchewan economy, has had a fairly active year and has extended its markets steadily overseas besides being a major supplier to the U.S. Premier Allan Blakeney, just re-elected with his New Democrat party in the province, has not yet given any indication how far the Government will go with further nationalisation of the mines. Small-scale potash production is being developed in New

The major uncertainty for the industry in 1979 is the possible impact of President Carter's dollar-defence measures on the American economy. Many companies argue that most metal prices are not yet high chough to justify new major investments. Prices will hold the key

PETROCHEMICALS

Respite from cost pressures

THE PETROCHEMICAL industry in Canada has been given a respite by the decision to postpone an increase of the domestic price of crude oil and natural gas originally due on January 1 next. As an anti-inflationary move the increase, of C\$1 a barrel in the case of oil, has been deferred until July 1, with another C\$1 to come on January

It has been Canadian policy to bring the domestic price of oil, at present C812.75 a barrel, up to world levels by a series of steps. The price of gas is linked to that of oil; each extra CSI on

raw materials had spelt rising ammonia prices. It says it can duced in Alberta.

costs with no account taken of only afford 71 cents a 1,000 cu ft Alberta is not the only proability to pass on the increases: In the case of their sister industry, oil refining, steady cost increases coupled with ing the key plant, the only chemical production have been market resistance to increased major petrochemical complex around Montreal, in Quebec, and prices for their products and with the loss of export markets always insisted that its plant recently completed major because U.S. Government will be competitive at current expansions. However, neither is import policy favours crude oil over refined products, has resulted in extremely low profits. Canada and the U.S. have agreed this month to seek a way to help these refineries. While the petre-chemical industry is not in the same straits as oil refiming, it has taken its lumps. The oil price

rises are one reason.

Take the fertiliser and explosives businesses, example, two closely related industries because ammonium nitrate is both a fertiliser and a blasting agent. Each time the cost of natural gas goes up 12 cents per thousand cubic feet, economies that would rather the-cost of the natural gas to make one tonne of ammonsa make one tonne of ammoria lose foreign exchange or see goes up by just under C\$5; their gas flared. The \$1hn Ammonia is both a new Alberta petrochemical complex material for fertilisers and goes into production next year, explosives and a fertiliser itself. But the ammonia incus- the future shape of the try in Canada and the U.S. is Canadian industry. being hard pressed by imports and over-capacity, and about 30 per cent of U.S. capacity has been shut down.

Welcome

One small plant in Canada (MTN) closed late last year and plants in eastern Canada at current gas priceș have natural gas costs of \$2 per thousand cubic feet or about \$80 a tonne of ammonia production. The current price for imported ammoria at the U.S. Gulf of Mexico is U.S.\$80 a tonne. While the plants in Canada are buffered by transport costs and the 15 per cent differential with the U.S. dollar, they welcome the relief given by the defer- down. As Canada has not been, reduced if U.S. policy on im-

in western Canada, who have negotiations on petrochemicals. balance of interest between been paying far less for natural Therefore, even though the U.S. Petrosar, in which it has a finangas than the eastern plants, are is known to have a generous cial stake, and in which Ontario also resisting gas price levels. offer to Canada on petro- has a vital interest as a pro-Canadian Fertilizers of Calgary, chemicals, the fate of that offer vince, and Alberta, which conjointly owned by Canadian and largely depends on what tinues to find that Petrosar is a U.S. farmers' co-operatives, says happens between the Americans that it cannot afford \$1.21 a on one side and the Europeans natural gas markets and petrothousand it pays Alberta and Japanese on the other. natural gas mark producers for natural gas. CF. Alberta knows the importance chemical plants. which has twin 1,000-tonnes-a- of the trade talks and has

THE OIL OUTLOOK (Productibility in '000 h/d)

	1 9 79	1985	1995
Established reserves of light crude	1,286	606	198
Established reserves of heavy crude	197	104	37
Light crude from reserve additions	34	151	195
Beavy crude from reserve additions	20	76	166
Liquid petroleum gas	127	102	48
Oll sands	145	255	755
Upgrading loss	_	-5	-5
TOTAL	1,809	1,289	1,392
Source: National Energy Board.		-	

U.S. market. While it will have an edge in gas prices over plants in eastern Canada, and probably over new U.S. plants, it must move products a long way to markets. These are markets which are not isolated from developments in a world petrochemical industry that stands to be flooded in the 1980s with production from plants in the Middle East, the developing world, and the centrally planned give their natural gas away than and its fate will be the key to

A vital factor in the expansion plans in Alberta will be the out- oil. come of the other government. is the current round of world

logically U.S. markets. U.S. plant, that would threaten or petrochemical trade barriers, perhaps delay plans for upgradincluding tariff levels and the ing plants in Alberta to upgrade U.S. system of nomenclature, heavy oils produced there. are high and Canada must depend on the MTN to tear them 'eastern Canada could be ment of the price increase for historically, a major supplier of porting refined products were petrochemicals to the U.S., it changed. Ottawa will have to Even the fertiliser producers has little position in the GATT

a barrel of oil adds 12 cents to day each ammonia plants built explicitly linked the possibility the price of 1,000 cubic feet of in 1976 at a cost of \$220m, of increasing natural gas gas.

must market a large portion of exports to the U.S. to a reduc-For the manufacturers of its production in the U.S. tion of U.S. barriers to petropetrochemicals, the steady in Midwest, where markets are chemical imports as well as crease in the price of its main being depressed by the Gulf other industrial products pro-

their market conditions and for gas to remain competitive, vince interested in the expan-ability to pass on the increases. While Alberta Gas Ethylene, a sion of the petrochemical subsidiary of Alberta Gas Trunk industry in Canada. The two Line of Calgary, which is build-traditional locations for petronow being built in Canada, has Sarnia, in Ontario. Both have prices, the fertiliser case is likely to be content with holding instructive for the Alberta its existing strength. Quebec, petrochemical industry: Alberta for example, has been holding Gas Ethylene plans to twin its discussions with Gulf Canada 1.1bn lb a year cthylene plant and Union Carbide Canada, both 'in the 1980s, largely to serve the of Toronto, on the expansion of the Quebec petrochemical

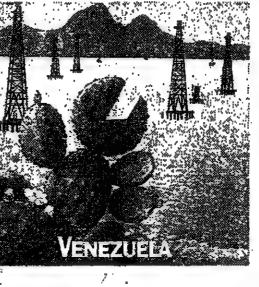
industry. The interplay of Canadian energy policies and the petrochemical industry is nowhere better illustrated than with the saga of Petrosar of Sarnia, the recently-built ethylene plant that uses crude oil for its feedstock. The company has pro-posed building a \$550m to \$1bn upgrading plant that would upgrade the heavy residual fuel oils produced by Petrosar and other eastern Canadian oil refineries, along with some heavy crude oil of the type produced in western Canada, to a lighter grade that can be used by refineries to make their normal runs of gasoline, aviation fuel and heating

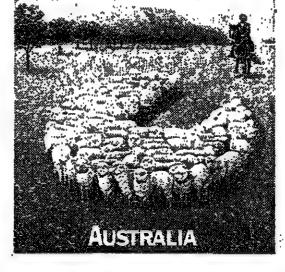
. Alberta opposed Petrosar battle in which the industry from the time it was planned, finds itself on the sidelines. That in part because it wanted the expansion of the petrochemical multilateral trade negotiations industry to take place in (MTN) in Geneva. If Alberta only. Now, the western the Canadian petrochemical province finds its ability to exindustry is to expand, indeed if pand -natural gas markets in it is to produce at its present the east dampened by the glut level on into the 1980s, it must of heavy industrial fuels, in do so with world scale plants.

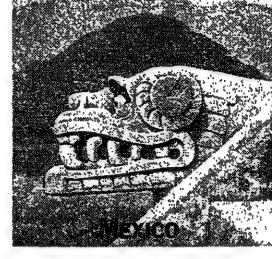
But, for most products, worldscale plants in Canada require might be reduced by the buildaccess to export markets, most ing of an eastern upgrading The glut of heavy oils in

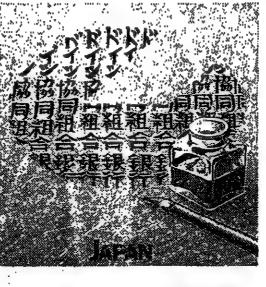
move delicately to find a thorn in its side as it develops

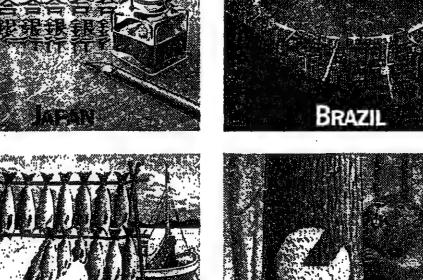
Jim Rusk





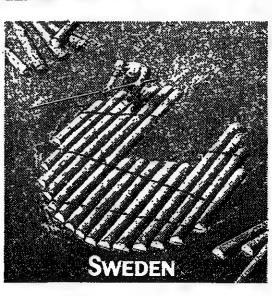












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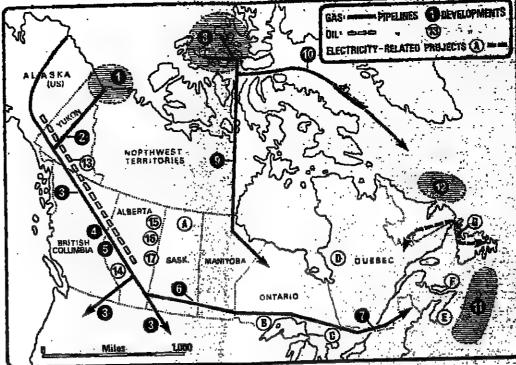
Big development programme

ACCELERATING gramme to develop Canadian energy resources is going to cost something like C\$181bn (at constant 1975 prices) between 1976 and 1990. The estimate comes from the Department of Energy, Mines and Resources. There are others that are a bit lower, but all show a similar trend. Spending on energy projects, during the period will be rising from about 4 per cent of Canada's Gross National Product to 53 per cent—and perhaps to more in the 1990s.

The biggest chunk is for electricity generation, including the giant James Bay hydro-electric northern Quebec which will deliver its first power late in 1979. The long-discussed Gull cheme for a second station on the Churchill River in Labrador may be coming nearer realisation. It would provide power to the island of Newfoundland by submarine cable, the surplus becoming available for sale to Quebec and, politics permitting, to the Maritime Pro-

But in some ways the greatest interest attaches to the C\$14.8bn expected to go into facilities to extract oil from the oil sands of the Athabaska and Peace River regions of Alberta and near Cold Lake on the border between Alberta and Sasakat-

It is common ground that these sources of so-called nonconventional oil must be brought into play as quickly as possible, despite the cost, in order to offset the decline of the normal oilfields in western Canada. The latter, it is estimated, can yield 1.3m barrels a day of light crude in 1979, which will have fallen to 391,000 b/d by 1995, even allowing for hoped for new discoveries.



GAS-RELATED

- Delta-Beaufort Sea gas: explora
- Expansion of TransCanada pipe
- ine: under debate. Pipeline extension to Quebec

Panarctic exploration

(NEB), a Government agency, has therefore called for the expeditious development of the The Parliamentary opposition, the Progressive Conservative Party, has done the same. The prizes are great; estimates that anything

oil could be recovered from the This year may have been the turning point for the Athabaska sands. They have been worked for some years, with doubtful

ing October.

Both GCOS and Syncrude are mining plants. The oil sands are scooped up by surface mining methods and taken to a plant where the bitumen is separated from the sand by heat and then upgraded by chemical methods into a synethic oil acceptable to

Syncrude's initial capacity is 60,000 b/d, to be doubled around the turn of the year when the second half of the plant comes on stream. Adjustments are expected to raise the capacity to 129,000 b/d by 1982, and if all goes well the plant can be extended in the mid 1980s to produce 190,000 b/d. GCOS, next door, is itself expanding from 45,000 to 60,000

Guaranteed

Both plants have been guaranteed the world price for their oil, whereas conventional Canadian crude oil for domestic sale is kept down to a price of C\$12.75 a barrel. Eventually it is to rise to world levels, but as an anti-inflationary measure a planned increase of C\$1 on January 1, 1979, has been put off. Rises of C\$1 are planned for July 1, 1979 and January

absolved from the duty to pay royalties to Alberta for the opening years. Alberta, one of the Governments of Canada and Ontario, Imperial Oil, Gulf, and profits. If there are no profits, feet are there with a 90 per there will be nothing to pay.

The men at Syncrude believe Alberta. Ottawa has premised do the same in 1979. the world price.

along the lines of those at think of a pipeline. Syncrude. The Alberta regu-

- 10 Gas transport by tanker: appli-
- OIL-RELATED
- 13 Alaska Highway oil pipeline: for Cold Lake oil sands.

onventional heavy oil. ELECTRICITY-RELATED

Saskatchewan uranium finds.

The National Energy Board latery authority expects the not keeping up with NEB), a Government agency, Alsands and Imperial plants (or supply from the something equivalent) to be working by 1986, and new plants subsequently to come on exports to the U.S. but cannot stream every three to four do so without NEB licences from 80bn to 200bn barrels of By 1895, according to its fore- and slipply, maybe in February, cast the sands will be producing 755 b/d or 54 per cent of total Canadian oil output

barrels of so-called conventional tem beyond Montreal to Quabec commercial success, by Great heavy oil have become the and the Maritime Provinces and Canadian Oil Sands (GCOS), a company controlled by Sun Oil company inighting. Heavy oil, wealth of chargy. Since the except of the company inighting Heavy oil, wealth of charge. of Chicago. But now, on neigh-only slightly less viscous than port price is well below the bouring lands, a new end larger the stuff in the oil sands, is domestic price, neither Alberta plant, Syncrude, has opened up: normally used to make asphalt. nor the oil companies are its first oil to reach Montreal It can be upgraded into oil enameured of the proposal. was delivered by pipeline dur- acceptable to refineries, though However, the proposal does at a cost of some \$6.38 a barrel. appeal to nationalist

under the control of Alberta Gas Trunk Line and its pipeline king, Mr. Robert Blair, has been angling for fiscal incentives to make an upgrading plant viable; so have Pacific Petroleums, Gulf, the Government-owned PetroCanada and Saskoil, owned by the province of Saskatch-For a start it seems ewan. improbable that more than one plant will receive the National

Energy Board's approval. Baulked by Mr. Blair in its attempt to take over Husky, Petrocan came back by acquiring control over the much larger Pacific Petroleums, with revenues five times as large as its own. The obvious reason was a wish for cash flow to finance the Arctic venture. But felt that if it becomes large

enough, Mr. Joe Clark, the Conservative leader, will have difficulties selling the company to private shareholders as be intends to do if he wins next year's elections. Whereas conventional oil will

be running down in spite of

some encouraging finds at West Pembina, in Alberta, there is something like a glut of natural gas. Remaining marketable reserves 'increased 65,000bn cubic feet in 1975 to 71,000bn cubic feet in 1977, compared with production of some 3.000bn cubic feet a year. the shareholders (along with The Geological Survey of Canada estimates that there is a 50:50 chance that the country Cities. Services from the has altogether 250,000bn cubic private sector) will take its cut feet of gas found or to be in the form of a share in the found, and that 180,000bn cubic

cent probability.

Much of it is in very inthat given the present world accessible areas. Panarctic (45 price they can at least break per cent owned by Petrocan) even. Events clone can show already has some 16,000bn cubic whether they are right. It is, feet on Melville Island in the however, clear that only if they Arctic. Dome is drilling in the can negotiate equivalent fiscal Beaufort Sea and has found concessions will others venture something, though nobody is into the sands. Alsands, a con- saying what, Imperial has a sortium led by Shell, has quantity in the Mackenzie Delta applied for permits to build a too small to warrant a pipeline plant on the same scale as of its own; Eastcan is drilling Syncrude, but must first settle off Labrador in waters made unthe royalty question with safe by icebergs. Imperial will

Moreover, proven reserves are The same considerations increasing in Alberta and British apply to Imperial Oil (Exxon) Columbia where the difficulties which wants to extract oil from arc less formidable. Panarctic sands near Cold Lake, where is ready to make an application the deposits are well below the to be allowed to moor a floating surface. The C\$4bn proposal liquefaction plant off Melville would involve pumping steam Island and ship gas by tanker down to the bitumen to liquely through the North West Pasit before bringing it up, with sage to Canadlan markets. With subsequent upgrading facilities 20,000bn cubic feet it could

But at the moment demand is

fields. Alberta is extremely anxious to be allowed to increase years, with a capacity of 210,000. The Board is unlikely to make b/d each. The National Energy a decision before completing its Board is a bit less sanguine. current assessment of demand

In the meantime the Department of Energy in Ottawa is South of Cold Lake, in the not to export the gas but to Lloydminster area, maybe 15bn extend the existing pipeline sys-

Husky Oil, recently brought and has been espoused by Mr. Blair, who has a five political nose. A possible compromise has been taking shape under which Alberta agrees to increased sales to eastern Canada in return for authority to step up deliveries to the U.S.

Acumen Mr. Blair showed his political.

scumen in the campaign that led to a consortium headed by his company being chosen to build the pipeline intended to take Alaskan gas to the U.S. proper, along the Alcan Highway. Many doubts still overlang that \$11bn proposed, though the most serious have been removed by the passage in October of the U.S. Energy Bill. It should enin addition Petrocan may have sure that there is a market for the Alaskan gas, though nobody can be quite sure when. Mr. Blair insists that the pipeline will be delivering gas to U.S. homes by the winter of 1983-84. southern sections of the big pipe will be laid first to enable Alberta to pump to the U.S. increased exports of its own. surplus gas. There is a balance of payments argument for doing so but Canada may insist on a U.S. undertaking subsequently to repay the gas with gas from The opposition has Alaska. come out in favour of that idea, which would fit in with establishing Canadian attitudes to

> Exporting electricity. instance; always tends to arouse hostility, and the whole trend in the 1970s has been to try to shelfer Canadian industry for as long as possible from the rise of energy costs. It has been suggested that the fierce Canadian winter is one reason why energy exports always are liable to arouse passions and fears Canada.

energy matters.

The truth of the matter is that though oil exports will almost certainly cease in 1982, in the mid-1980s Canada will still be able to produce between 1.6m and 1.2m b/d of its own oil, or more than half its fore east consumption of 21m 2.6m b/d. And looking farther down the line, the Bank of Nova Scotia forecasts that in 1990 Canadian exports and insports. of total energy will almost balance. That is less warming thought than the surpluses of between C\$1.2bm and C\$1.3bm. in the past few years. But it should be enough to save Canadians from having to State

in winter.

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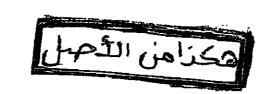
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AVIATION

Choosing a fighter

has announced its short list of missiles. aircraft for its C\$23bn fighter acquisition programme, reduc- more expensive than the CF-16 ing six contending streraft to so fewer rould be acquired, but two and ruling out a mixed being twin-england it has good flect. It is now entering into potential for the future and draft contract discussions with could be fitted with new systems the prime contractors. Industrial offset arrangements will be home and in NATO. a major determinant in the sciection of the winner.

CF-16 and the McDonnell Douglas/Northrop CF-18A, the Canadian version of these aircraft.

only these fighters would meet its need for 130-150 aircraft within its set budget and for its domestic and European commitments. eliminated as being too expen-Grumman F-14, McDonnell Douglas F-15 and the European Panavia Tornado, the Northrop F-18L, which is still in the design state would come into service too

All contenders in the early stages of the competition had said that they were ready to plice offset work in Canada up to the full value of the contract, induding final assembly and Some of this work is pleted. exected to go to non-defence indistries but a buoyant Caladian aerospace industry expets to be a prime recipient. It is already busy with civil prorammes of its own, and is washing closely to see what berfits will come its way.

he final winner will not be annunced before next June. then announcing the two finaists Mr. Barnett Danson, Deince Minister, said that the F-1 has been selected by five NAO countries in Europe and from with could provide the number ab. If selected it will be fitted airframe and the electronic

THE CANADIAN Government with two Sparrow radar-guided

The CF-18A is larger and

· The new aircraft will replace the CF-104s now in Europe, the The finalists are Canadian CF-101 Voodoo in Canada; and ersions of the General the CF-5 used for air support. the CF-5 used for air support. Both the CF-104 and CF-101 are to be phased out in 1983 and the CF-5 in 1985, when it will converted into an advanced Ottawa let it be known that

Of the new aircraft, 54 are to be based in Europe, 35-40 in Canada for air defence, and 34 for service in NATO northern flank operations in Norway. Mr. Danson said that discus-

sions could now begin during which the Canadian industry will be able to take part to ensure an industrial benefit to Canada. Industrial benefit to offset the purchase was a requirement spelled out in the request for proposals on the new aircraft. The Government has let it be known that it does not want merely a round of metal bashing which will stop when the programme is com-It wants more permanent programmes, particularly in the area of advanced technology transfers. It is looking for projects that can be developed in the country for both donnestic and export markets. Whatever is achieved in this area, the new contract will mean more business for the Canadian aerospace industry at a time when its pssembly bays are already filling up with Work

in process. Part of this work has come NAO countries in Europe and from manufacturing com-whe it does not have the ponents for the Aurora longsociatication of the CF-18A, it range patrol aircraft for the is te only aircraft at this time armed forces purchased from Lockhoed. The Aurors is a regired for the money avail- hybrid using Lockheed's P3C

heed's Viking aircraft.
The cost is \$15n for 18 air-

craft with Lockheed doing final ever, to placing almost all of this value back in Canada through the distribution of industrial

nefits over the next 15 years, \$400m of it by 1983. Component work remains in Canada and will share in any future sales of the P-3C up to at least 150 aircraft, including the 18 purchased by the Canadian forces. The industry was disappointed

secause the Aurora offsels made little provision for permanent technology transfer leaving it with the role of a fabricator of parts for assembly elsewhere. Lockheed had offered the installation of the electronic avionic package to Conada but that would have entailed an added cost which the Government was not willing to pay. With the fighter programme the Government appears to be ready to pay the premium for final assembly and testing even though it may mean buying fewer aircraft than If they had been purchased off the shelf.

The Conadian Industry is aware that it is not practical for it to try to fill all of the needs of the Canadian market and is. therefore, hoping to obtain some specialised transfer of technology that can be meintained as continuing programmes to end the up and down cycles with which it has had to contend in the past. It remembers the collapse that followed the cancellation of the Canadian-designed Avro Arrow fighter programme in 1959, when 15,000 workers were 32 lirown out of jobs almost over-

Since then the industry has built itself up again with the help of military productions sharing with the U.S., and the development of products for domestic and export markets.

The stimulus has to come not

gramme but from civil project as well—the Challenger wifebodied business jet of I anadain assembly and testing in the U.S. the Dash 7 turboprop archaer of Lockheed is committed, how- de Havilland Aircraft of Capada. continuing denoted aer the small turbine and jet englies of Pratt and Whitney of Canada, and

sub-contract participation in the

U.S. commercial arcliner market

Luckherd and Beeing have placed significant contracts con nected with their new commerud aireraft with Canadian Douglas Airciait of Canada which produces the for the McDonnell Wings Douglas DC40 and DC-10, will also make wing- for the new DC-9 Super 80 and the DC-10 gerial tanker for the U.S. sar

Force. A recent industry task force report stated the Canadian industry has undergone a gradual conversion from an Inward-looking supplier of fallitary products to a primarily export-oriented industry producing largely commercial products that are internationally com-

Government support inade available the loans and quarantees for the development of the Challenger and the Dash 7. The Challenger, with 108 orders and 25 options, passed a milestone of its development early in November with its first flight. Deliveries are to begin next

Sales of the Dash 7 in the early stages were disappointingly slow probably because it appeared at a time of a world wide full off in aircraft orders. But in October, the company announced orders and options for 20, bringing total orders to

Total

production in the Canadian aircraft industry last year was more than \$500m of which 80 per cent went to export markets. About 100 comcuraracq are manufacturing work. Production, not counting expected benefits from the new fighter. is expected to rise to \$1bn by the early 1980s employing a work force of 32,000, as against

Ken Romain

An Englishman's 28 Years Nova Scotia

before leaving England for Nova Sentia in persuading his company, Faires Aviation, to send him for only one year. That was in-1950. Although be returned to England for his concennant and on many business trips since, he plans to remain in Nova Scotta, " Wild horses wouldn't get me out of the Province in

There are opportunities for prople in Nova Scotta to do a variety of things here," sald Mr. Gibbon. "I wouldn't ... hesitate to encourage aprone whi wants to develop industry in the Province. There are particularly good opportunities for small busines ex. People think of Toronto as being the infecta for business in Canada. and Nova Scotia the periphery. but in the present economic situation almost the reverse is true. The person who knows has business could make his fortune here in almost any field if he's prepared to work."

Born in the congraphical centre of England in Leantington Soa. Warwickshire, John Gibbons analified in engineering at Covenier. Now he is president of Haltech Scient!Se Ltd., of Dartmouth, Neva Scotta, a company which provides professional services in the testing and inspection of machinery, soils and concrete. His company offers services. unique to the Atlantic Provinces, unobtainable cast of Montreal.

Mr. Gibbons species from his own relatively small ships to become experience when he talks about making a success out of a His company was one of the two which took over the assets of Fairey Aviation when it ceased operations in Canada, Haitech has been in existence since 1970, and in that time has achieved a stability and reputation such that, "This past year has neen our best ever.

"When you're in ; our own business you end up doing !!

champion. The Globons sail the Chenora", a British built 38 include inspecting a Russian foot South Coast One design-ship's crank-haft, inspecting and an important reason why Mr. foot South Coast One design filbbons does not find foreign holidays attractive.

John Gibbons and his son Jeffrey aboard "Chenora" in Hakisa harbour

the interesung part of it." The

Brunswick and X-ray testing 2

Canadian Armed Forces ship at

as work for Noranda Mines.

Mr. Gibbons' experience with

business trips connected with

helicopter haul-down system.

This system, which allows

operational platforms for

assurance, "baving seen all

these places. I still think Nova

Mr. Gibbons married not long

bride baying come to Nova

Scotia when her father also

moved to the Province. Their

daughter Jili, is completing her degree at Dalbouste University,

Scotta is as good a place as any."

after coming to Nova Scotia, his

Fairey's perfection of a

company's recent projects.

testing machinery in the

Balhurst region of New

attraction to UK people," sain Mr. Gibbons, He sees natural and cultural affinities between Shelburne, Nova Scotia, as well the UK and Nova Scotia, and has proved in his own life there that Fairey Aviation included many an Englishman can feel at home in the Province while making use of the experience he brings with him. "The oceans that provide us with so much pleasure and recreation represent today perbups the greatest underdeveloped heliconters, is now in use by the resource in Nova Scotia. Jupanese pavies. He states with

"Above uil the sea is an

John Gibbons, like many people

Photo by Scenic Photography in Nova Scotia has found that the Province surpasses all his expectations, "There are things here that money can't buy." he man who finds time outside his jub for a rewarding private life.

More information about business, industrial and investment opportunities in Nova Scotia is readily available in the UK through the office of the Agent General of Nova Strotin, 14 Pull Mall, London SW1Y 5LU, England, Tel: 01-930 6864

or on the Continent J. Drummond Fraser, Manager Industrial Estates Ltd. (Europe), Niederkassoler Kirchweg 95, 4000 Düsseldorf 11,



FISHING

Record profits

Cada's ocean fishing industry. fold. Th prospects of the country eres have suddenly taken on mour stock proportions. ncreased prices and land-

have produced record fits. Takeovers and mergers creating stronger, more ecentrated corporate group-Vast capital investment pgrammes are contemplated d, for the first time in cades, fishing rates national litical attention.

As recently as 1974, the dustry reached its lowest ebb. a the West Coast, once prolific rring stocks were virtually iped out. Lucrative salmon id halibut fisheries helped sep that industry affoat, but on these stocks were under rong competitive pressure com other fishing nations on ie East Coast. The Atlantic shery was reduced to near estitution by low prices and ver-exploitation. Only about \$130m in federal price support sayments and another C\$200m in capital aid to fish processors. tept the industry alive and maintained employment for its 89.000 workers.

The turnaround began two years ago when Canada adopted a 200-mile offshore economic zone, assuming management control over 2m square miles of ocean and Arctic waters which had previously been the happy hunting ground of nearly 20 nations. It moved quickly to reduce drastically the catch limits on almost all species. In the first year quotas in the Atlantic reduced to 650,000 tons from the 4.5m tons landed only a few years earlier.

The subsequent improvement in the industry, and the likeli- which had largely led to the hood that by 1985 fish exports could be worth almost as much as the C\$1.8bn of wheat exported in 1978, has sparked enormous controversy over the corporate and political direction of the industry.

that the Federal Fisheries to concentrate on restoring de-Minister, Mr. Romeo Leblanc. was able to say recently that in there has never been so much money, never such stability, and · Tarely such optimism on the fishing grounds.'

Pacific salmon have become the single most valuable species and the success of a federal salmon enhancement programme suggests that stocks may eventually double. A four-fold increase of Pacific ground fish is pre-

On the East Coast, landings to C\$263m. Processing increases international marketing and pro-

TIDE has turned for the landed value two or three duct development. Without it,

Mr. Leblanc has said that the the benefits of the 200 mile limit boming the world's leading improvement has produced side benefits, apart from the increase in pevenue.

There is a new feeling of stability about fisheries. Catches. are more reliable, plant work steadier and stretching over more of the year. There is growth in fishermen's organisations. Fishermen have gained dustry an employer of last

While they agree with Mr Leblanc's assessment, the premiers of some of the coastal provinces and, certainly, the heads of most major fish comparles, put a somewhat different Interpretation on what has so far been achieved and what should be done in the future.

They think the Federal Government, which constitutionally has responsibility for fishing, left it extremely late before curbing excessive fishing by foreigners. After having imposed the

200-mile limit, they think, Ottawa should have moved quicker to draft and fund a major fisheries expansion pro-The East Coast gramme. trawler · owners. particularly. would like permission to get into large, freezer trawler operations, using them to cut costs and to improve productivity, both in exploiting new species previously not harvested by Canada and in the pursuit of

traditional species in distant,

northern waters.

To some extent they have been supported by the leading fishing provinces, Nova Scotia and Newfoundland. Some doubts exist in these provinces, however, about the desirability of adopting the kind of vessel previous overfishing. But there is full agreement on the need for a strong, private enterprise presence in an industry which, they feel, Mr. Leblanc is trying to place under Government inf the industry.

fluence. His policy has been to reduce immediate expectations, stocks and, important, to see that future benefits are shared by individual fishermen and boat owners as well as the big, mechanised, offshore trawler owners and fish

Angered especially by the Minister's encouragement of greater unionisation among the fishermen, companies like Nickerson-National Sea Products, the result of a recent merger, have launched an advertising campaign stressing were up 23 per cent in the first the need for increased Canadian nine months of this year and catching effort and a stronger. "value increased by 49 per cent: private industry involvement to

will be lost.

At this stage, with round on barely over, it seems Mr. Leblanc's viewpoint is winning He says many an unjustified hope associated with the advent of the 200 mile limit seems to have dissipated. The provinces are increasingly coming to share his position. And certainly, the status, no longer is their in- fishermen generally support

> While some larger and more productive vessels will certainly needed, particularly i Canada is to develop the northern cod stocks of Hamilton Bank, the industry probably will not be allowed to acquire a large fleet of big freezer trawlers.

> The example of the squid fishery explains why. An allowable catch of 100,000 tonnes of squid is possible on the Scotian Shelf off Nova Scotia, a third of it reserved for the inshore fleet. Five freezer trawlers could harvest and process the rest. creating only very few jobs and adding to the problem of the so-called by-catch, meaning fish of other species caught along with those required.

> Alternatively, the squid could be harvested by 100 modern, 12 man squid jiggers, vessels which lower and raise 36, 30 metre lines to catch the fish on individual barbs Fish caught in this way command a much higher price in the Japanese market, the principal sales area for

> With a 16 per cent unemployment problem in some of the eastern fishing provinces, it's obvious which alternative Ottawa will go for.

Constitutionally, Ottawa controls the Canadian fisheries. Naturally there have been suggestions among fishing covinces that they should suck this power for themselves as of the constitutional reforms under reforms under somewhat desultory discussion. Reaching agreement in an area of so many conflicting issues will not be easy.

One argument against a deal of this kind is that Ottawa must handle the age old dispute with the U.S. about the delimitation of national fishing waters. During the summer it erupted into the so-called fish war. Canadian and U.S. fishermen are still barred from fishing in each other's waters and Canada recently hardened its position by extending the territory it claims on the East Coast by another 25 miles.

Third party arbitration may be the only way out of the

Lyndon Watkins



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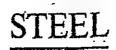
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THE BANK OF NOVA SCOTIA

Antique, Argentina, Australia, Baltania, Baltania, Baltania, Baltania, Belgian, Belgian, Belgian, Boron, Baltania, Boron, Baltania, Balt



Industry in good shape

Cheering as that prospect lines, nuclear power plants, and

countries such as Brazil and

Judging by the list of expan-

The three largest producers

past few tough years—the most

main mill at Hamilton.

tinues to expand.

tion on a couple of occasions

the schedule now calls for com-

pletion of the first phase of the

be done at the company's Hilton

furnace capacity of 1.3m tops

that can be expanded to 2.5m

tons relatively cheaply. It is

said to make use of highly

efficient steelmaking methods.

including conveyor belt feed for

the blast furnace, continuous

Given the medium-term out-

plant movement of slabs.

works in Hamilton.

steel production is planned.

WHILE MANY of the world's for Canada to increase its steel projects-more oilsands plants, generally exceeded exports, but steel plants have been running exports." at two-thirds of capacity, the largest Canadian mills have might be, the Government so on. Second, management is been going full blast and post- report concluded that the over- counting on export opportuniing solid profit gains. Their all slowdown of demand and ties as U.S. steelmakers are success can be attributed production could be trouble- forced to close down their unmostly to good planning, sur- some. Without faster growth, profitable older mills. prisingly good domestic sales, investment would probably and the deflated dollar that has decline and the industry's com-

ndustry will be in good shape until the end of the first quarter of 1979, but it is difficult to project demand for the rest of the year and into 1980. economy seems headed for slow growth and the pipeline projects the companies hope vill spur a new round of capital spending, may not get early

Moreover. Peter chairman of the Steel Company of Canada, has been saying for several months now that the industry is entering "what is probably the most difficult and challenging period in its his-Although profits look good, demand has been growing slowly, costs have risen quickly, and operating margins have slipped. Despite the slippage, though, the big companies are currently well in the black. Toronto-based Stelco, Canada's largest producer, reported a 22 per cent increase in sales to \$1.34bn at the end of nine months of 1978, and boosted its profit by 33 per cent to \$92.9m. Management told shareholders the outlook for the fourth quarter continues to optimistic."

Excellent

The second largest producer, Dominion Foundries and Steel of Hamilton. Ontario, stated that the "outlook for the balance of the year remains excellent, and it is expected that the strong demand will continue through the first quarter of 1979." Dofasco's ning month profit climbed 35 per cent to \$64.7m on an 18 per cent increase in sales to \$799m. Its shipments of mostly flatrolled products have been

lose third in terms of output, nas been undergoing a steady turnaround in recent years and its nine month gains were even more impressive. On a 23 per cent increase in sales to \$618m, profit more than doubled to \$46.5m. Algomar also said strong demand is expected to continue through the first quarter of 1979.

These three companies, all shareholder-owned, account for per cont of domestic capacity, so the industry is basically in good health even Government - owned mills in Nova Scotia and Quehec have been heavy insers -and one privately-owned nilni-mill in Quebec went bankrupt last year. The industry produced 14.5m tons from its 19m tons of capacity last year, and operating rates have been higher in 1978.

This year strong demand for flat rolled products has come from the automobile, appliance and other light labricating industries. Small diameter pipe has also sold well because of the high level of oil and cas drilling activity in the west. And although domestic need for Canadian fabricators have been moving tonnage into the U.S. with the help of the low-valued Canadian dollar.

Most producers have operated profitably over the years by matching their expansion to the growth of the domestic tract industry. Where its trea- Provincial economic planners market, and by adopting the surer was once able to provide concede that a number of events best of home-grown or imported the richest package of governtechnology. This approach is generally expected to keep the industry in a good position but s combination of circumstances has created longer-term uncertainties, a government study talked about city on the Contin- in the province's competitive pointed out earlier this year.

For a start, growth of annual demand is expected to decline hecause of the trend to smaller cars that require less steel, the running down of benefits from import replacements. Growth in demand during 1980-85 is problems now are. estimated at 3.3 per cent a year. compared with 5.8 per cent average annual gains from 1956

The report also stated that Canada will have "a transitional it is also expected that "demand vate research foundation."

Stelco's " green field" expansion could coincide with what boosted exports and kept out petitive position could be lost, economists guess will be a Competition in the years ahead period of renewed capital spendmay come not so much from ing spurred initially by the

heavy oil upgrading plants, pipe-

\$12bn Alaska Highway gas pipe-Japan or Europe but from line to carry gas from the North Siope of Alaska to mid-continent Mexico, where rapid growth of markets. Stelco and Interprovincial Steel are the only Canadian companies capable of sion plans, the industry has more faith in its prospects than making large diameter pipe, and they are expected to split do the civil servants in Ottawa. the bulk of contracts for the Canadian section. have all added capacity over the ambitious being Stelco's new

Catalyst

\$500m-plus plant on the shores; The project is big, but its imof Lake Erie in southern portance is seen mostly as 2 Ontario about 40 miles from the catalyst for economic activity. The steel needed will amount to In western Canada, Interprovincial Steel and Pipe of only 4 per cent of total consumption over the time the pipe Saskatchewan has is made. But more pipe may undertaken an \$80m expansion. be needed to extend a gas pipe-The company is about 20 per cent owned by each of the Governments of Saskatchewan, line that now delivers Alberta gas to the U.S. mid-west, Toronto and Montreal-if any Alberta and Slater Steel Indusof the competing bids for easttries of Hamilton, an affiliate of ward extensions or additional British Steel. The money-losing exports of gas to the U.S. are Quebec company, Sidbac, con-

Meanwhile, new oil and gas Steleo began planning its discoveries in Alberta bave to Nanticoke plant in the late be hooked into pipelines, and 1960s, and has delayed construcwork will probably begin within a few years on a third oil and because of slack demand. But mining plant (headed by Shell Canada), a major heavy oil recovery project (headed by Implant by mid-1980. Finishing perial Oil, Canada's Exxon subof Nanticoke steel will initially sidiary), and a heavy oil upgrading plant. The price tag en each of the first two projects is Nanticoke will at first have about \$4bn. blast furnace and basic oxygen

In a country that is large and unevenly populated, there is no one market for steelmakers but rather a collection of regional markets. The largest, to market in central Canada is products. supplied mainly by the integrated producers - Stelco, vide for counter-valling ties casting, and extensive use of Dofasco and Algoma. There on products directly or conveyor systems for the in- are 14 Mini-mills to serve other indirectly subsidised, but has parts of the country and not been applied to steelmimports are strong in coastal look. Stelco has taken a calcu- markets.

Steel imports, mainly from GATT talks will be a de Algoria Steel Corporation, of lieves first, that Canada needs the U.S., have averaged about governing such circumstants. sault Ste. Marie, Ontario, a considerably more capacity to 14.5 per cent of consumptionprovide steel for various energy during the 1970s. Imports have

opposite has been true and the hopes industry continue.

The low Canadian dollar has helped keep back imports but, in addition, special antidumping procedures have been undertaken by the Canadian Government to parallel protective measures taken in Europe and the U.S. The Canadian industry feared that offshore steel destined for Europe or the U.S. would be diverted to Canada, so a special-steel task force was set up within Ottawa's Anti-Dumping Direc-

torate. The task force monitors imports of steel and is supposed to accelerate anti-dumping procedures and deal with them within three months: The task force uses a benchmark or trigger price system, aithrugh it does not say what tress prices are or whether a pre-posed import deal is likely to bring a dumping charge. The resulting uncertainty, has saved off foreign producers, some importers have claimed

The U.S. trigger price sytem, meanwhile, has not been toep ing Canadian steel or strutural products out of the U.S. miket. Industry officials believe the trigger prices are aimet pri-marily against Japanese and European producers, dufthey also fear that if the exing system does not work all foreign steelmakers will boubject to more restrictive coties. What form of protectio the

privately owned Canadiar in-dustry may likelf need evi the longer term remains to been. Managers of the privately oned companies are well awarthat about three-quarters of the industrial world's steel paluction is in government bank -and that government operions can be subsidised in many/ays provide lower-sced

There is a mechanism toroports into Canada. The indtry pes that one outcome other

Timothy Pritched

ONTARIO

Signs of a slow recovery

is starting to beat a little per cent national growth. But U.S. industrial heartland, "Fr stronger this year. For five the province is not yet out of a lot of industries, Ontario still years, the province of Ontario, the woods. Unemployment is maintains a competitive advakeep pace with the rest of the this year and S.2 per cent is ex-includes access to the rich nation's performance.

Soaring wages and lagging productivity have weakened its a stronger position to take industries. Its energy bill escal- advantage of an international ates as Canadian policy steadily economic recovery than it was adjusts prices to world levels. destination of foreign industrial-uncertain pace of recovery in ists looking for a plant site in other industrialised nations now head to Alberta and Ontario finds it must spend millions of dollars in bidding ways to at- showing a strong performance. ment services in Canada and to build a multi-million dollar playground on the shore of Lake Ontario for a generation that was making Toronto the most ent, his successor manfully struggles to hold down provincial deficits without cutting services drastically.

the Canada-U.S. pact for free plague the Canadian economy costs than they were in the trade in automotive products in the late 1970s. If it is where and the improbability of further most of the opportunities once were, it is where many of the There are signs of recovery.

For the first time since 1972, Ontario's growth this year will actually be higher than the national average and the performance will be repeated in surplus of steelmaking capacity 1979, according to the Conferto about 1980-82" Fortunately, ence Board in Canada, a prifor steel in the U.S. will press estimates that Ontario's econagainst steelmaking capacity omy is growing by 3.6 per cent there when the U.S. economy this year, compared with 3,3 fully recovers. There will then per cent national growth, and be a transitional opportunity that next year it will grow by

CANADA'S INDUSTRIAL heart 3.9 per cept, compared with 3.5 of Michigan and Ohio in-te pected next year. While the province is in

Where it was once the favoured in the U.S. in 1979 and the visiting delegations mean that Ontario's goods-producing industries will probably have to wait until 1980 before upset their hopes. Canada's inflation performance will be crucial. If a poor inflation record triggers a round of exorbitant wage settlements that push up costs, the recovery position that has come with the devaluation of the Canadian dollar could be lost quickly.

Furthermore, some industries In short, Ontario exemplifies in the province are faced with the problems that have come to much higher relative energy 1960s, particularly the petrochemical industry that uses Alberta-produced crude oil and natural gas for both fuel and feedstocks. However, it is not certain that the competitive edge that the industry once enjoyed has been totally lost. While the petrochemical isdus-

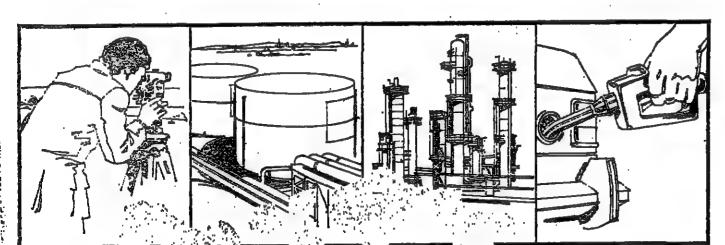
traditionally the leader in the ateadily increasing-from 7 per tage," one official notes. Ha Canadian economy, has falled to cent last year to 7.3 per cent list of pluses for the province markets of central - eastern North America, a number o' advantages with energy sup-plies, particularly electricity, s stable and well-trained labour force, and a quality of life that is attractive in comparison with nearby U.S. cities such as

> It is not the goods producing industries that led the recovery In Ontario this year. Service sectors were growing in the 3.6 to 5.3 per cent range with the exception of public administration, while the goods-producing sector, grew, by less than national average. A key economist in the pro-

Cleveland and Detroit.

vincial Government, however, thinks that the basic economic situation in Canada is returning to the conditions that prevailed before 1970 when Ontario, and Quebec were the economic leaders in the country. He says that what happened in the early 1970s was that the appreciation of the Canadian dollar and the resource boom that accompanied the exceptional rates of worldwide growth in the early 1970s provided opportunities for tremendous growth of the resource sector of the Canadian economy. While Optario benefited from this boom, it did not share in the benefits to the same try now building up in Alberta degree because the resource has the edge over Ontario on sector, is relatively speaking a feedstock, supplies. Ontario much smaller portion of the proplants are in a better position vincial economy than it is in, to serve large markets both say British Columbia. At the domestically and in the U.S., same time, the boom and the They are located just across inflation that went with it put a the border from the key states great deal of pressure on wage CONTINUED ON NEXT PAGE





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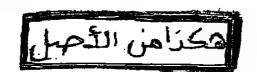
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COLDEN EAGLE





MANITOBA AND SASKATCHEWAN

Divergent paths in the Prairies

THERE ARE likely to be vast province's labour force has construction. differences in the economic swelled by 10,000 to 443,000 in In the attainments of Manitobs and the past year, the evidence is Government Saskatchewan over the next 12

Normally the fortunes of these two prairie provinces run along fairly parallel lines, as both depend on agriculture for a large part of their well-being. But as 1979 looms Saskatchewan is still swimming along on a wave of moderate presperity while Manitoba is struggling with real difficulties as it tries foster -- employment - and industrial expansion.

Saskatchewan is to some degree better off because of the accelerating world demand for its oil, potash and uranium, Manitoba, on the other hand, lacks these buoyant resource industries and its own bydro and mining sectors are in a

But even more important, the two: provinces have recently split off on widely divergent pails as far as growth strategies are concerned. For example, Sakatrhewan residents this October opted to retain a high levil of Government involvement in their province's ecclomy when they re-elected Premier Allan Blakeney's New Denocratic (Socialist) administraion for a third consecutive terp. Manilobans, in contrast disjensed with an eight-year-old Nev Democrat Government 4 yer ago and replaced it with Primier Sterling Lyon's buiness-orientated Conserva-

Expansion

Ar, Lyon promised to cut back bak on Government activity ali simultaneously lower taxes stimulate expansion of the givate sector. And while the emier has more than kept his dge, the change of economic licy has so far falled to spur

owth in the province. Basically Manitoba's problem that no alternative investment overnment spending reduce has said he will continue his their destruction. ag their first year in office the onservatives trimmed the proincial civil service by 1,300 gopie, sleshed hospital and niversity budgets, halted all ublic building and put a hold n northern Manitoba's billionollar Nelson hydro project.

Private investment in Manioba, however, has remained Amost static in the past year, ven though the Lyon Governnent has lowered provincial orporate and personal income the other is that Manitoba's axes by two percentage points, manufacturing industries are in addition, with few major maintaining satisfactory produc-private projects in the planning tion by serving the lucrative stages, the province has been Trappling in recent months with escalating rates of unemploy-

ment and outward migration. Statistically Manitobe's actual unemployment Tate rose 30 per cent between September 1977 and September 1978, by far the highest increase in any Canadian and manufacturing sectors 61 seats and a whopping 47.5 province. At the last count 7.3 Manitoba's goods producing per cent of the popular vote, per cent of Manitoba workers industries should grow by 4.5 compared with 39 seats and 40 province At the last count 7.2 per cent of Manitoba workers were looking for jobs, as compared with 5.9 per cent 12 months ago. And while the

the past year, the evidence is that the Lyon Government is failing to ereate enough Jobs for Manitoba citisens, 25 85,000 are

currently unamployed here. Traditionally Manitobans have expressed their dissatisfaction with the province's economic conditions by "voting with their feet "-which simply means that they move to other areas. This seems to be happening again, as the province's not loss of population: through migration doubled in the first half of 1978 (3,198 this year against 1,508 last year).

From the provincial Government's standpoint out-migration brings temporary relief, since Manitoba's unemployed immediately become the responsibility of some other jurisdic-But in the long run the population could seriously harm Mr. Lyon's plan to attract new business and

industry to the province. Statistics Canada, the federal Government's statistical agency. has forecast that if present trends continue, Manitoba's population will shrink from a peak of 1,021,508 in 1978 to about 965,000 by the thirm of the century. A contracting market like that will not be of much interest to outside.. entrepre-

The Conservatives are turning Manitoba into the Newfoundland of Western Canada, bringing us economic stagnation, unacceptably high unemployment and low in Leonard Evans, former NDP Industry Minister and now an opposition backbencher, has charged recently. " After a year of Tory Government, It is becoming clear that private investors are not being attracted to Manitoba."

Despite opposition pressure and depressing economic statisties, Mr. Lyon has no intention of stimulating Manitoba's, economy with a large injection gramme for at least another year, although he has held out will be made next spring in an effort to stimulate private

There are, however, two factors that are saving Mr. Lyon from having to deal with complete economic bleakness: One is that the province's 30,000 farmers are enjoying a modest level of prosperity and tion by serving the lucrative; nearby markets of Saskatchewan and Alberta.

Farmers are benefiting from : high beef and pork prices, M per cent this year, although the per cent in 1975. gains will be partly offset by weaknesses in mining and had a strong Socialist party for

Government restraints still in force - Manitoba's economic progress is likely to be minimal. Economists here are predicting a moderate improvement in the province's growth rate, saving it will be likely to reach 2.3 per cent as compared with 2 per cent in 1978. But this will still rank as the smallest increase in Canada—and will be less than the national growth rateforecast at 3 to 4 per cent. Furthermore. economists feel that Manitoba's unemployment rate continue to hover around the present 7.3 per cent throughout

Spokesmen for the Lyon Government, however, continue to insist that the province is on the verge of attracting large sums of private capital.

"Eight years of socialism in Manitoba tried the patience of the business community here," says Mr. J. Frank Johnston, the Cabinet Minister in charge of the province's newly established Ministry of Economic Develop-"But we now have the opportunity of making up for some lost time and lost opportunities,"

Agreement

Contrary to Mr. Johnston's view, however, Ottawa seems to be the most likely source of any new capital that may be poured into Manitoba in 1979. Within the past few months the federal Government and the province have signed a regional economic expansion agreement that is supposed to provide \$40m for 4 variety development projects. the moment At officials of the two Governments are negotiating the specific details of projects that could create 4,000 new permanent jobs in the agricultural and tourist sectors in the next five

On the other side of the coin. however, there have been two recent occurrences that may persuade is a recent application by some hope that further tax cuts Manitoba Hydro, the province's public power utility, to boost electricity rates by 15 per cent next February and perhaps by another 15 per cent later in 1979. This will certainly be a déterrent to industrial development, as will the province's labour - management climatë which has deteriorated to the point where work stoppages in 1978 have already set an all-time

Saskatchewan citizens, meanwhile, seem fairly pleased with their present lot. They demonstrated this several weeks are when they re-elected Mr. well as from opportunities to Blakeney's incumbent New deliver most of their grain at Democrats by a resounding fairly good prices. Because of margin. This time they gave the buoyancy of the agricultural, the NDP 44 of the legislature's

Saskatchewan has, of course.

In the next year-with has stuck with free enterprise parties except for the 1969 and 1973 flingswith the New Demo-crats. But the difference in crats. political traditions does not completely explain Mr. Blake ney's most recent triumpheconomic factors were just a

important in the final analysis For example, Saskatchewan currently has the lowest unem ployment rate in Canada-4.9 per cent versus 8.5 per cent for the nation as a whole. And while this figure is expected to rise marginally to an average of 5 per cent in 1979, Saskatchewan has enough new development under way for nobody to be especially worried.

In the oil industry, for instance, Saskoil the province's oll company, is going to team up with Gulf Oil Canada and Petro-Canada to develop heavy oil deposits on 400,000 acres of Crown land over the next eight years. Similarly, Husky Oil of Calgary is planning to spend \$2bn to develop its heavy oil fleids on the Saskatchewan-Alberta border. Part of this scheme calls for the construction of a multi-million dollar refining plant in Saskatchewan.

In addition, a number of the province's dozen potash mines are planning expansion, while Amok has plans for the world's richest uranium mine in northern Saskatchewan. The uranium boom is dealt with in a mining article of this survey. Regina, the province's capital, is to be the site of a \$100m downtown redevolopment and one of its principal industries, Interprovincial Steel and Pipe Corp., which builds pipe for northern pipeline projects, has announced an expansion that will create 400 jubs.

These developments, as well as a fairly healthy farm sector. are creating a general feeling of well-being in Saskatchewan. And although the province is less prosperous than it was in the grain boom days of the early 1970s Saskatchewan residents are confident that their abundant natural resources will fue! the provincial economy for several decades ahead. In fact, provincial officials expect real growth in Saskatchewan's output will reach at least 3 per cent in 1979, with all basic and service industries sharing in the

The one key policy difference between Manitoba and Saskatchewan is that in the latter province the provincial Government is sharing the financing and the fruits of development. Mr. Blakeney's Government has bought potash mines, established its own oil company and passed a law that gives its mining company the right to buy up half of any project that looks attractive. Although this policy may be distasteful to businessmen, Saskatchewan Government involvement in the economy is likely to increase in future, now that Mr. Blakeney has been with a stronger

Roger Newman

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Jim Rusk

Recovery CONTINUED FROM PREVIOUS PAGE

Then the bubble burst. The commodity boom came to an end. Industrial growth around it was apparent that Canada had a highly overvalued currency. good position to recover its money to clinch the deal.

Place at the head of the pack. The province will probab

leading as non-wage costs in the out that, in comparison with the adjacent industrial states of creating manufacturing employindustry Minister, the late Mr.

provincial Liberals regained the
ment. The late 1970s present a

John Rhodes, who was just beposition of the official opposinew set of challenges: these ginning to bolster business tion in the last provincial elecstates have been stung by a support for the Government, non after they had lost it to the

rates in all Canadian industry movement of industry south died while in a trip to Iran socialist New Democratic Party and Ontario's manufacturing words in the U.S. and have with the Provincial Premier, in the previous round.

Found itself in a deteriorating begun to fight back by offering Mr. William Davis.

Dr. Stewart Smith, the international competitive posi- a wide variety of inducements. Their replacements have yet Liberal leader, would not wish for industry to locate in them. to make a similar impact. Mr. to force a provincial election Ontario must now get into the Frank Miller, the provincial prior to the national one as the bidding war with states such as treasurer, has not demonstrated Ohio or Michigan. And that that he has the toughness to

and a moderation of wage de- to the choice of an Ontario site inter, Mr. Larry Grossman, mands caused the economic for a new Ford plant, while it while young and energetic, is balance in the country to return was recognized that there were still relatively untried. to a pre-1970 situation. That substantial edvantages to build suggests that Ontario is in a ing the plant in Ontario, it took vincial Government because he

The province will probably be Davis to quit, even though he Even on the wage bill, simfaced with more of the same if had been able to lead his Proplistic comparison between it is to attract the sort of ingrassive Conservative Governbase wage rates in Canada and dustrial investment that it used ment to no more than minority the U.S. can be somewhat mis- to take almost as a natural right. The Ontario Government is elections. While his Govern-U.S. are generally higher than faced with the job of convincing ment is in minority position in non-wage costs in Canada businessmen that it still de the provincial legislature, it Ottario officials like to point serves the unquestioning sup- does not seem that Ontario will port that it once received from soon have a provincial election. the adjacent industrial states of them. This summer, the The current speculation is that, the U.S. New York, Ohlo and minister who had the widest reat the very least, it will have Michigan, the province per spect in the provincial business to wait for national election to formed substantially better in community, the Provincial settle the fate of Mr. Plerre attracting new Industrial invest- Treasurer, Mr. Darcy McKeough, ment during the 1970s and in retired from politics, and the Liberal Government. Ontario's

the world slackened. Suddenly, means in many cases cash, no ram unpopular budget cuts matter how it is disguised as a through cabinet in the manner grant, industrial development of the abrasive and autocratic A 16 per cent drop of the ex-change rate with the U.S. dollar in the negotiations leading up replacement as Industry Min-Mr. McKeough left the pro-

had tired of waiting for Mr. victories in the 1975 and 1977 Trudeau's unpopular federal

prior to the national one as the uppopularity of the federal Liberal Party could destroy his chances in a provincial fight. ironically for the Liberals, a defeat for Mr. Trudeau could make it easier for Dr. Smith to be a victor. Similarly, the New Democratic Party is unlikely to force an early election. Its leader, Mr. Michael Cassidy, has not established a presence on the provincial stage comparable with that of his eloquent and flery predecessor, Mr. Stephen

So, for the nonce, Mr. Davis seems set to stay in office, even though he has never established the forceful presence that his predecessor. Mr. John Robarts did. Mr. Robarts was always at the centre of national debate in Canada, but new the provincial premiers who are leading the debate are those of British Columbia, Alberta and Saskatchewan. In this case, the swing of political power has followed the changes in the economic balance Canada in this decade.

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The Financial Post

THE ATLANTIC PROVINCES

new confidence

themselves of a couple of economic happiness will continue **to elude them.**

The two encumbrances are Linerboard mill at Stephenville,

Both could soon have new tive of a resurgence of economic confidence to the region, based principally on external factors.

Because of this economic improvement, Government leaders n three of the four provinces might be forgiven for asking year export-oriented steel plant why they did badly in recent on the coastal Gabarus Bay. provincial general elections. The Liberals lost power in Nova Scotia to the Progressive Conservatives, and the Government in New Brunswick and Prince Edward Island held on to office by a whisker. As a result, New-Conservative Premier, Mr. Frank Moores, who is expected to go to the people some time next year, may have cause for apprehension.

Complicate

In addition to a widespread dissatisfaction with established governments all over Canada, a new element has emerged to complicate Mr. Moore's potential problems. A recent national byyouthful member of the New Democratic Party. It was the first time that the mildly socialist NDP had made any impression on the Newfoundland electoral scene. The result may merely have been an aberration. but it may also have been the first expression of what could be growing public reaction against Newfoundland's chronic level of unemployment and high

Officially, Newfoundland's unemployment rate was stated in October to be 16.9 per cent. But and otherwise disguised unemployment means that the reality of the problem was understated.

Northern New Brunswick and Nova Scotia Cape Breton Island share a similar magnitude of undoyment but despite this, the region has been making economic headway. The three mainland Maritime provinces will be among the top five in Canada this year in terms of overall growth performance. Increases of between 3.5 and 4 per cent should raise them slightly above the national average. Newfoundland would have shared in this performance but for a prolonged strike this summer in the Labrador iron mines. They account for about three-quarters of Newfoundland's C\$850m annual mineral iutput. The loss of much of that production means that the province will be lucky to reach 1 per cent growth this

The beneficial effect on exports of a falling exchange rate has most to do with the region's general economic improvement, pulling it out of a shallow recessionary curve begun in the aftermath of the world oil crisis five years ago.

In Nova Scotia, such commodities as fish and coal showed production increases of more than 40 per cent during the early months of the year. Even the long-depressed, provincially-owned steel industry, has taken contracts.

oil refinery, and the provincially from being out of the woods, dependent on a single, volatile owned, 1,000 ton a day, Labrador But the industry's future now product. But the industry's future now seems somewhat more assured. which has been closed for finan- Sales of rails to South America cial and marketing reasons for and several African nations and shipments of basic steel to South Korea helped to boost probable reactivation is indica- by 27.5 per cent during the year, a rate roughly twice the Canadian average. The Nova Scotia Government is looking for funds to modernise Sydney Steel, but has given up the idea of setting up a 4m tons a

> Pulp and paper mills have heen fully extended to keep up with demand. This explains why five potential buyers expressed interest in the five-year-old Labrador linerboard mill. When it closed 14 months ago. Newfoundland would have parted with it for a song to maintain direct and indirect employment for 1.800 people, despite having spent more than C\$250m on the

Abitibi Paper, of Toronto. The

Atlantic Provinces are ridding hiring new workers and plan- C\$43.5m Abitibi got a bargain. strong pressure to prefer the ning to recommission another. In addition it faces expenditures. Shaheen bid which promised an current economic improvements unwanted, industrial albatrosses. blast-furnace to service several of C\$60m to convert the five-But the Bluebird of long term, new long-term home and export year-old plant from linerboard local creditors, and long-term With heavy accumulated by doing this can Abitibi expect losses and the need for a major to overcome the inherent probboth in Newfoundland, the bank-capital investment programme lems of a mill without assured rupt 100,000 b/d, Come-By-Day Sydney Steel is a long way supplies of economic wood and

Difficult

Solving the Come-By-Chanceoil refinery problem is going owners. Their takeover and Nova Scotia's external exports to be more difficult, despite the fact that the receiver has tentatively accepted a C\$219m offer for the plant from First Arabian of Luxembourg. The receiver. rejected a C\$613m bid from Mr. John Shaheen, the New York industrialist, who originally built the refinery.

The sale to First Arabian is owed C\$65m on a second mortgage, agrees.

Under the proposal made by First Arabian, both the province industry. and a group of British banks

to newsprint production. Only payout from earnings for every-

The decision rests on the province's view of Mr. Shaheen's and operating credibility.

The ultimate fate of the refinery, also depends to a considerable extent on whether the U.S. eases the entry of Canadian petroleum products. President Carter's recent conthat this is not likely.

...While the ravages of a defoliating month larva, known as the Spruce Budworm cast con- high value, well designed, high siderable uncertainty over the long-term economic future of the forest industry in the Atlantic provinces, lumber proto be completed next April, but ducers, like the pulp and paper it will depend on whether the industry, are enjoying an up-Newfoundland Government, surge of demand. A stronger metals market has renewed talk of an expansion in New Brunswick's big lead sinc mining ket with the assistance of an

- Optimism in the Atlantic fishled by Rleinwort Benson, which Ing industry is limited only by hold a C\$109m first mortgage, the extent to which federal would get paid. But little or controls still limit the size of nothing would be available to the catch and the method of unsecured creditors over about operation. The industry is discussed in detail elsewhere in Bir. Moores, the Premier, says this survey.

GOVERNMENTS in Canada's on a more cheerful countenance, tougher than a year ago, but for the proposal, but he is under turning point after what has immediate C\$5m payment to in the region may be short lived. The prospect of what seems to be another, sharp increase of international oil prices, renewed misgivings about the state of the U.S. economy in 1979, and a consequent falling off of demand for resource products,

> At the region's present rate of economic development, the Atlantic Provinces Economic Council believes it will take the four provinces 100 years merely cera for the U.S. dollar suggests to catch up with the rest of

suggests that a tough year may

The council urges the region to look to ways of producing technology goods. Ironically, the province that has done most in the past couple of years to act on such advice is tiny, agricultural PEL it has aftracted 35 companies to two-industrial parks. Most are from Britain or elsewhere in Europe, getting 2 foot in the North American marextremely generous federal provincial incentive package. The newcomers represent a com-C\$22m, account for about 850 new jobs, and produce every thing from laser measuring aluminium castings.

Lyndon Watkins

THE NORTH

Dividing the cake

THE CANADIAN north causes peans generally see it as snowbound, rich in minerals, and populated by Eskimos in igloos. Canadians often entertain similar impressions of untapped wealth. Most of them will never travel there (too far, too expena low worker participation rate sive), and many view it as a wasteland of no relevance to daily life: Neither generalisation is accurate.

> Expensive transport and travel hinders projects. The distance between communities makes administration difficult, Lack of contact creates contradictions and political conflicts.

The north is diverse and fasmodel of model Canadian hiswhite men, the difficulties and nology creating new issues and forcing Governments to deal with political problems brought in the wake of progress. In the background there lies the conflict between the views of local people of what is best for them and the ideas of a distant central Government. in Ottawa. It consists of the Yukon and the North West Territories (NWT). each governed by a commissioner appointed by Ottawa, assisted by an elective council. The population is thin even by Canadian standards - 21,000 people on the 207,000 sq miles of the Yukon, 3,000 on the 1.3m sq miles of the NWT. Another 11,000 live in northern Quebec.

Eskimos prefer to be known). Many older people can still cut and build an igloo in a few hours, but nowadays igloos are temporary camps for hunters. Semi-nomadic hunters still exist but as a rule an Eskimo family lives in anything from a state-In a large town like Inuvik a home to a large square elevated services (water, steam heat, electricity) necessary to survive in the winter cold. TV programmes arrive by satellite. An hour noth on the Arctic Coast Mackenzie Valley in Tuktoyuktu, an Inuit home is a fuggy shack with insulation Alaskan gas to the south. of questionable quality. There is little work for those

who arrive at the settlements, development and social The Mackenzie Valley, the huge river system which flows to the Arctic Ocean from the prairies, has more than 80 per cent unemployment among native

In isolated settlements tuberculosis is still rife. In the recent past whole communities were wiped out by the disease. In Inuvik most people, Indian or Inuit, have had relatives die of TB. Those who have work become depressed as those who live on welfare cheques. Parents resent being dependent on their wage carning son. Everybody yearns to be a " real Impil." quite independent of white society. In fact the death blow to that life came more than 100 years ago when the Hudson Bay Company spread marooned sometimes for days

its posts throughout the north even in good weather. The Yukon one finds metis who had on the southern fur market.

At the heart of any discus- the inherited British colonial are not allowed to go under. sion on the north, there is the paternalism. Suicide is com- The same ancient twin Dakotan The 20,000 Inuit are only one

part of northern society. Whites and Indians account for the other 50,000 inhabitants of the Yukon, NWT and northern Quebec. The three groups have little contact with one another. cinating. In some ways it is a Only in Inuvik, NWT, do whites, Indians and Inuit live tory. One sees the arrival of in the same community. Elsewhere the Indians live south high cost of development, tech- and the Inuit north of the tree line. All three societies have reasons for disillusion.

Two decades ago Mr. John Diefenbaker, then Prime Minister of aCnada, saw the north as the area where the old Canadian pioneer spirit could revive. The assumption then was that white pioneers could develop the region with mines, factories and towns, helping themselves while providing jobs for natives. Since then a massive influx to the north has provided health, weifare, education and jobs, but has brought as many problems as solutions. No one is certain that pro-

viding employment and wages for native people is an answer. Starvation has disappeared, diseases are less common but There is nothing romantic Indians and Inuit are racked about being an Inuit (as with social problems.

When mines close down communities break up overnight. Mineral deposits are not as rich as imagined and extraction depends on the ebb and flow of world prices. Copper, lead, zinc and asbestos mines in the Yukon have been going through bad years. Only gold has been boosted by rising world prices. fortunate Inuit will be linked at Many people now ask whether native development is best pipeline which carries all the served by exploiting nonrenewable resources. That was implicit in the report of the Berger Commission which led the abandonment of the which would have. of damage Fear

the environment, inflationary ruption were behind some commodities from boom service industries, especially

The greatest employer in the north is the civil service, but a large number of the white residents are dependent on commerce. One Inuvik resident explained: "People forget that we whites are just as much northerners as the natives. The pipeline would have brought prosperity, jobs for whites and natives alike. Now we are all worse off. We desperately need new projects."

The scale of Canada's North is only grasped by travelling there. It is quite normal to be

many misconceptions. Euro- and the Inuit became dependent isolation of the island community status and pure bloods who re ties in the Arctic is such that The great shock for the visitor meeting Inuit and Indians the winter supply planes make tion and job opportunities. n
in Quebec, the NWT and Yukon their last run in early October the far west most of the peope
in Quebec, the NWT and Yukon their last run in early October the far west most of the peope
leaving the Inuit settlements of mixed blood do not feel whith The great shock for the visi- the regional administrator and difference in privileges, educis that these people live so leaving the Inuit settlements close to despair. Alcoholism is cut off totally until May. The rife. (It is among whites also). entire North is served by a host-Natives purchase booze as a of tiny private airlines. They privilege not as of right. They run out of money regularly but need a special card which can serving as the sole means of be taken away, a reminder of supply and health services they

> abound in all economic activi- are bringing the white economy ties. There are no economies of deeper into the north. The scale and everything has to be federal Government wants to airfreighted. (A pint of milk minimise the social and econo in the north can cost up to mic disruption associated with C\$2.) Everything from craft new mines, pipelines and assoshops to construction is subsi- clated projects. There is also dised somewhere. This year's the desire that the native budget of the North West Terri- peoples should get a slice of tories was C\$175m. Revenues were C\$30m.

isolated

Such is the pressure to create employment that the federal Government is willing to provide complex infrastructure in the most isolated places to facilitate new projects. Last year the Nanisivik lead-rine mine on Baffin Island started production. Ottawa provided C\$18m for infrastructure in return for a company undertaking that 60 per cent of the jobs would go northerners. A boost was given to oil and

gas exploration by the 1973 oil. price rises. It became economically feasible to explore the Arctic systematically. The costs are light Dome

Petroleum's offshore exploratory wells in the Beaufort Sea are the most expensive in the world at C\$40m a time. Drilling is only possible in the three months and the company failed to complete production testing this year before floating ice forced suspension of operations. All administrative costs in the

area are many times higher than in the South because of distances. Health, welfare, auditing, maintenance all require special planes to fly hundreds or thousands of miles, Government employees demand a southern living standard. Offi-cials live like their counterparts in Toronto or Edmonton. Fuel, materials, and supplies must be brought north at great expense. During the summer roads in NWT; are barely passable. They re-open when the freeze-up closes over the imposiinto depression, hitting white erable lakes in the territory and solidifies the soggy tundra.

A few decades ago it was quite respectable to hope that the native problem" would disappear through interbreeding. Many Indian tribes grined special status and rights through treaties. Those that did not were left out of the system. Those marrying whites will be a major set back. or non-status Indians could lose their status. Others were en-Large numbers of metis (of mixed blood) and non status dispute with the oil companies Indians are outside both the and will lead to greater political. white economy and the Indian control in the future

non-status. This makes a graf and many dislike whites.

In deference of this Ottawn some years ago started funding research by melis association into possible meti claims o land.

Land claims are currently the single most pressing issu year often with new livery ber of elements involved. Tech Direct and indirect subsidies nology and changed economie the cake and share in the bene. fits. It is more efficient and often less disruptive to nego. tiste rather than leave disputes to subsequent court actions.

In Quebec negotiations to enable the provincial Govern-ment to develop the hydroelectric potential of the James Bay area led to an unprecedented agreement, Indian and Inuit groups received financial compensation in return for their land rights. Political as. well as economic institutions have been set up. Creation of the Kativik Regional Government which invisages strong measures of autonomy in the future means that Inuit in Northern Quebec will gradually take over much of their own education and administration The inuit see it as a future semi-autonomous government.

For a host of reasons the

federal Government prefers to

separate questions of economic compensation from political development Officials in Ottawa argue that dealing with land claims is impractical and unrealistic and that single tribes may want to set up sovereign states if present trends continue, Federal funds for land claims research were recently cut off in NWT. The Dene Nation, the chief Indian political organisation in NWT had made demands for political autonomy in a land claims settlement Furthermore, it had refused federal demands that the Dene present a joint claim for compensation with the Mens Association Many people hope to get the

estern Arctic claim settled before new factors complicate. the issue. The matter, however, is in dispute. Not all Inuit support COPE. Inuit elsewhere in Canada believe COPE should include political claims in the present stage of talks. Those favouring the frend towards greater political autonomy for natives believe a quick deal now with financial compensation and economic institutions set up

Those in COPE maintain that local control by the fault of the economy will give the people a stronger position in any future

Michael Tingay

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BRITISH COLUMBIA

A chance to top growth league

province has a chance of going to the head of the national growth league in 1979. Mr. Evan Wolfe, the province's therefore be taken into account Minister of Finance, has said in assessing a momber of that British Columbia is on the threshold of a boom at the end economy of British Columbia. THE WESTERNMOST Canadian threshold of a boom at the end of a year when the provincial which have become known economy seems to have recently. For instance MacMillan expanded by same 41 per cent. Bloedel, the biggest forest proIn Ottawa, the forecasters expect ducts company, intends to industrial investment to the proinstall a new 190,000 tonnes a vince during 1979 to grow faster than the national average.

Whether the threshold will newsprint machine to be chally be crossed is another installed in the province for actually be crossed is another question. The answer depends to a great extent on the impact of President Jimmy Carter's measures to stabilise the U.S. dollar. If they push the U.S. into recession British Columbia not: escape

consequences: The forest products industry, which has been booming in 1978 and which accounts for more than half of the gross provincial product, depends heavily on U.S. markets, and in particular upon bousing starts there. Almost half its shipments go to the U.S., a proportion rising to three quarters in the case of

A cyclical setback has been. None the less, the episode is expected for some time in U.S. instructive. The rationalisation housing starts, which have been plan was hatched after Mr. running at very high levels. It William Bennett the provincial could easily be severely accen-

balince of payments, apply in the case of mining, the

such is less pronounced than in vince has a long history of construction workers, usually economy of British Columbia which have become known recently. For instance MacMillan year newsprint machine at Powell River. It will be the first

making newsprint. There also has been good news from Macmillan Bloedel's Vancouver plywood plant, Less than six months ago it was threatened with closure, but in October the company was able to announce that Vanply had been making its first pre-tax in the U.S. economy could very profit for a very long time. That well serve to cool union ardour, was achieved by a partial closure — at the cost of about one in three of the 700 jobs at Vanply. The plant is not yet out of the wood; a final decision on its future has yet to be

Premier, had described closure tualed by the higher interest as unacceptable. In doing so he rates imposed in the U.S. in the really departed from the interests of the country's principle of his Social Credit party that business and govern-

in British Columbia, which Labour relations in Canada, expris 88 per cent of its metals and especially in British production, though the depen Calumbia, generally follow the depen upon the U.S. market as confrontation pattern. The pro-

since 1975, mainly because the imposition of statutory wage prospects controls in Canada meant that another. for the unions it was not really worth while going on strike.

These controls are now running out and there is much speculation about the con-sequences for industrial relations. Mr. Jack Munro, the Woodworkers' president, has forecast that the wage talks that he will be engaged in in mid-1979 are going to be difficult. For a start he wants ten years. Other companies are considering buying machines for a share in the windfall that the industry has supposedly picked up as a result of the devaluation of the Capadian dollar in terms of the U.S. currency. Nobody at this juncture can

> well serve to cool union ardour, but there are other signs that the old rumbustious pattern of Columbia labour British relations may be changing. The events at Vanply are one example. Another is that the

prophesy how these talks will

under the impression of poor prospects for their industry is

The most intense economic activity in the province for the time being is concentrated in the area of Fort St. John, near the border of Alberta in north eastern British Columbia, where big new finds of natural gas have been made. Exploration activity is high; some 120 rigs are expected to be at work in the winter.

Keserves

British Columbia's saleable gas reserves at the end of 1977 amounted to 6.7 trillion (million million) cubic feet and it is estimated that another 7.7 trillion cubic feet gross will be added to that by the end of the century. At present output is year, of which more than two point (or at any rate had done levels of six years ago, that does Some success has been thirds is exported to the U.S. so before the Carter measures) not take account of inflation. In achieved. For instance a \$25m Unlike forest products, that is when the worst appeared to be real terms they are still well an export item that is unlikely over. Japan is the key customer down. Mr. P. R. Matthews, to suffer from any deterioration

labour strife and strikes. Things an especially aggressive lot. Alberta, British Columbia has British Columbian mines sold the industry might disappear at Richmond have been relatively quiet only settled moderately this summer not embarked on petroleum last year. In spite of the winder the impression of the impressio diversify its economy upon the increase of 4.1 per cent was basis of its natural gas. As negotiated this year, facilitated things stand competition in that by the decline of the Canadian particular industry is quite exchange rate. severe enough in Canada.

Metal miners in the province

> caused by the possibility that mine in the south. It has, howgive permission to mine Columbians are an affluent appears to be over.

well prove difficult. The other

Next to the search for gas, have been helped by not being most excitement has been involved in nickel. The price of copper, which accounts for more British Columbia may join the than half their output, has been ranks of the uranium producers. rising. It still has a long way Exploration is intense and pro-posals have been made for a U.S.\$1, the level at which it would become economic to open ever, run into intense opposi- new mines, according to Mr. tion on environmental grounds Brian Carter, economist of the and the Government will not Bank of Columbia. The success story of 1978 has been molyburanium before conducting an denum, though the period of with the aspirations of British intensive inquiry. British steep price increases now Columbians. The Bennett

people in a relatively unspoilt The uncertainties surrounding landscape. The inquiry could the metals mining industry are well illustrated by the fact that of manufacture, for instance, to extractive though exploration expenditures in the region of 360bn cu ft a industries have reached the are rising towards the high exported. for coal, having taken most of managing director of the Mining vince was announced recently. the CS344m of metallurgical Association of British Columbia, Proposals to roll

Between 1972 and 1977, Mr. Matthews said, eight mines had opened, 11 had shut, leaving 18. Another three were closing this year, though a copper mine has come on stream in conjunction with a new smelter at Afton.

Richness

The picture drawn so far is very much that of a resource-based economy. The richness of the resources available and a population of only 2.5m make that almost inevitable. By and large it also probably tallies Government would like to The uncertainties surrounding diversify cautiously, on the the metals mining industry are basis of adding a bit of depth wood products before they are

venture to make glass fibre insulation products in the pro-

The wish to persuade investors that British Columbia will continue to pursue market poli-cies seems to have been behind the possibility of a premature dissolution of the provincial legislature this autumn. All the indications were that Mr. Bennett and his Social Credit Party would have defeated the socialist New Democratic Party, whose period in office from 1972 to 1975 thoroughly displeased

the business community. Mr. Bennett seems to have thought better of it; the indications are that he will wait for 1979 before going to the polls Meanwhile, he has taken the opportunity of the Social Credit Party's conference to defeat "right to work" motions submitted by strongly anti-union members who want to limit severely the right to strike. It was another sign that British Columbia may not go back to its industrial scene of head-on

W.L.L.

business investment milar considerations may ment should be run as far as by in the case of mining, the possible according to businesssecond largest industry in like considerations. Als inter-Brish Columbia. If the U.S. vention finally led to a threein Canada: goe into recession, the slow party understanding between receivery in the prices com- the company, the Government mailed by non-ferrous metals and the International Wood-could be interrupted. The workers, the trade union of the impact would be felt strongly forest products industry.

Two words about

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ALBERTA

Pausing for breath

ates of the well regarded onference Board in Canada beria's real growth of 45 per mt in 1978 will be the highest any Canadian province. Next ar, however, it will slow to 3.5 fild rose, the provincial floral natural gas has been found that mblem. Alberta's economic it cannot all be sold. erformance over the last half. While Alberta supports the could not have been expected. o continue indefinitely. The rovincial construction industry which accounts for about 25 per ent of the province's output, about double the share the industry holds in a more mature_ economy, has been growing by about 10 per cent a year in real terms. Next year, there will be no construction industry growth at all, the Conference Board

With this summer's completion of the \$2bn Syncrude oil sands plant at Forth McMurray and next summer's scheduled completion of the world scale \$1bn petrochemical complex, the major projects that have spearheaded Alberta's growth through the middle 1970s will be done. Others are waiting in the wings to take Alberta through the first half of the 1980s. Another oil sands plant seems likely, most probably that proposed by Shell Canada, which carries a \$4bn price tag. Development of the province's heavy oils, which are now little used as they flow so sluggishly through the rocks, is now being considered by the National Energy Board. And the \$10bn natural gas pipeline from Alaska to markets in southern U.S. will pass across the province if it is built.

But it will be a year or two before the next boom. All of these projects depend on the course of public policy in Canada and the U.S. and the oil and petrochemical com-panies in Alberta have learned that, even in a province like Alberta whose government is oil industry. an avowed supporter of free enterprise, they must wait for the councils of government to

FFER RUNNING at the head in Alberta this winter is that the pack for a number of of natural gas exports. It is one are, Alberta seems likely to that could trigger a confrontative to take breath in 1979. It is one federal Government although the latest estimated and the second of the latest estimated and the perhaps not as serious as those of the early 1970s when a major rupture developed over oil industry pricing and taxation policies.

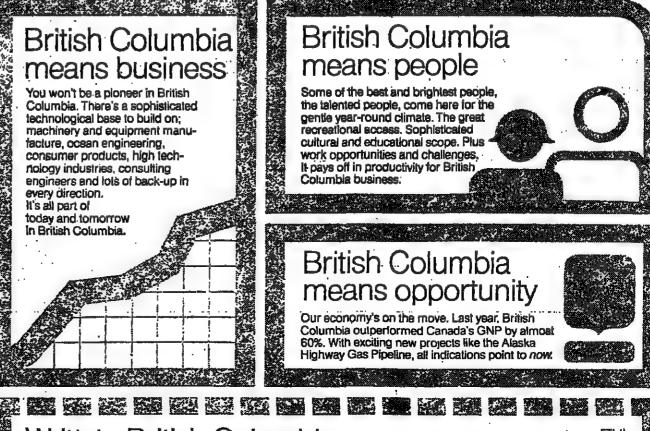
Exploration for hydrocarbons er cent, just close to the has gone at a record pace in ational mean. That does not. Alberta in the last few years sean that the bloom is off the with the result that so much with the result that so much

ecade has been so strong that federal Government's desire to move additional gas in to eastern Canadian markets, provided it can be economically done, Mr. Lougheed favours additional natural exports to the U.S. On an intermediate term basis, on the grounds that the exploration that would result would mean new discoveries in the future. However, the federal Minister of Energy, Mines and Resources, Mr. Alisfair Gillespie, formerly a Toronto businessman, is known to have doubts about the wisdom of any large scale ex-

ports to the U.S. Mr. Lougheed's concern with the gas exports goes beyond his desire to keep industry's cash flow at high levels. In negotiations that have gone as high as U.S. Vice-President Walter Mondale, he has linked Alberta's willingness to sell more natural gas to the U.S. to a lowering of U.S. tariffs on petrochemicals and certain processed food products. The U.S. is sympathetic to Alberta's view and has shaped its offer to Canada at the Geneva trade talks in a way that responds to Alberta's requests. While it is not yet clear how the federal Government will resolve the export: issue — Canada's Trade Minister, an Albertan whose brother is deputy premier of the province favours exports it is clear that Ottawa is going to have to walk a tightropebetween defending the needs of Canadian gas consumers on one side and on the other not offending Mr. Lougheed and the

One measure of the optimism with which Mr. Lougheed views the industry's prospects these decide a project's fate. no days is his recent declaration matter what market dictates that, with the additional oil and might say. the discovered in the While these major projects past few days, some of the that will carry the province in urgency has been taken out of the 1980s are winding their way the drive to diversify the prothrough the government de vincial economy and to develop

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BRITISH COLUMBIA . .



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Ministry of **Economic Development British Columbia**

Honourable Don Phillips, Minister

cision mill, the urgent question an industrial base that will carry CONTINUED ON NEXT PAGE

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QUEBEC

Nurturing a new image

has just begun its third year of power. While the "enemy" remains the federal Liberal Government of Mr. Pierre Trudcau in Ottawa Mr. Levesque is carefully nurturing an image of moderation as he launches his campaign to give Quebec sovereignty in association with Canada.

The Levesque cabinet, close students of public opinion polls and seasoned tacticians, have also accepted that the province's francophone majority would not vote for a straight independence option in the referendum promised for late 1979.

As Mr. Claude Morin, Intergovernmental Affairs Minister, put it several years ago: Independence is like a flower. It won't grow more quickly because you pull on it." The PQ Government is avoiding any temptation to pull, and has dropped the words "independ-ence" and "separation" from vocabulary and propaganda.

By starting a full-scale campaign for "sovereignty-association" and cultivating an image of moderation, Mr. Levesque clearly hopes to steal the unity issue away from Mr. Trudeau as the spring federal election campaign approaches and also to disarm the Quebec provincial Liberals under their new leader, Mr. Claude Ryan-an experienced debater and communica-The "sovereignty-associaproposal itself is being kept vague in outline.

Ministers, Government members of the Quebec National Assembly and individual leaders of the PQ have spoken publicly about it in so many different ways and from so many different viewpoints that the result is near obfuscation, Perhaps confusion at this point is not unintentional. But if it means anything, "sovereignty-association" would lead to de facto political separation of Quebec from the rest of Canada while retaining the advantages of the existing economic integration.

In recent months. Mr. Levesque and his leading ministers have been conciliatory at federal-provincial confer-

during the first year of office,

lauded the traditional role of while economic intergration Ontario as "honest broker" in would remain undisturbed. the quarrels between Quebec powers. As the Canadian dollar sank below 85 sympathetic words for his jousting partner, the federal Minister, Mr. Jean Chretien, Quebec was willing to do all it could, he declared, to help steady the Canadian dollar. even by advancing its foreign borrowing programme.

Textile

The lower Canadian dollar has been helping Quebec's hard-pressed textile and shoe industries, but it could cost the province and its power utility, Hydro-Quebec, tens of millions in extra interest costs. Together they have several billion dollars of debt outstanding in U.S. dollars and other hard curren-

On energy matters, Quebec has found its interest running Mr. Levesque won about half parallel with other parts of Canada. The Energy Minister, of "good government." Mr. Guy Joron, has said the province will be only too happy to import much more Alberta natural gas, and the trans-Canada pipeline should extended from Montreal Quebec City at least.

Mr. Joron also says Quebec would now allow power from the proposed Gull Island hydro project in Labrador to move to markets beyond Quebec via the province's transmission system, so long as Hvdro-Quebec can recover the cost.

Last month Mr. Levesque conspiculously signed copies of two bocks published by Parti Ouchécois members of the Quebec National Assembly ex-

One exercise is 620 pages long. and eager to assure the rest of A disarmingly simple "organi-Canada that their plans would gram " shows how a "sovereign not "disrupt" the present and fully equal "Quebec might structure of the country and the be meshed politically with the lives of millions of Canadians. remaining Confederation of The Finance Minister Mr. nine provinces through a Con-Jacques Parizeau has several seil de l'Association Quebectimes stressed the economic Canada" made up of four interdependence of Quebec and ministers from the Government Ontario as the two major manu- of Canada and four ministers facturing provinces, and has from the Government of Quebec,

This is hardly tayern talk and Ottawa over the division of or stuff to win the hearts mature francophones in ΟĒ the coming referendum. cents (U.S.) this autumn, he had most recent public opinion polls have confirmed that most Quebecers reject the concept " sovereignty-association. though perhaps nearly half the francophones theoretically might support Mr. Levesque if he merely asked for a mandate to negotiate such a solution to

the constitutional issue.

(80 per cent of the total Quebec population of just over 6m) was generally satisfied when the PQ defeated the Liberal Government of Premier Robert Bourassa og November 15. 1976. Most felt a change was needed, and the province might be governed more in their interest and free from the compromises required to accommodate the powerful Englishspeaking minority in Montreal. the French vote on the promise

Once in power he let his

Cultural Affairs Minister, Dr. Camille Laurin, a psychologist and TV commentator turned politician, bring forward Bill 101, the French Language Charter, designed to ensure the pre-eminence of French in Quebec. The Bill was pushed through with little modification and no heed for the economic consequences. Its final passage was a sign that the language battle in Quebec had been wan for French. Henceforth the language of work in industry and business, except in designated high-level head office operations and culutural "entities" such as English newspapers, was to be primurily

The Anglophone minority in Mon real is grudgingly accepting the legislation and business signs in French now appeal everywhere in Montreal.

Problems with "illegal" entry of |mm!grant children in the English-language school system remain, and both Anglophone and Francophone business communities are still highly critical of the general economic effects of the legislation. While many francophones in Montreal find the better jobs have become widely available to them and In French. Some have recog-nised that by lessening the need for the French to be bilingual they may actually be forfeiting Many Anglophones have de-

relative economic position, they provincial economy.
will have to become bilingual The province has a small will have to become bilingual or at least modestly fluent in domestic market, is locked in-French. English-language educational institutions are showing flexibility and are taking the and will have to climb over view that they have a responsibility for promoting erect if Alberta goes after its bilingualism and that Anglo- closest markets in the Pacific phones remaining in Quebec northwest, should have a large part of their These ma

tuition in French. After the language legislation was passed last year, the largely be aimed at the U.S. Government moved to relex market. Oil production from tensions and fulfil more electrar sands or heavy oils could, tion pledges. Consumer, labour in the short term, displace conand general social legislation ventional oil production, from

ment of Premier Rene Levesque abrasiveness they displayed which Quebecers must choose. labour law, heavily attacked by business for putting excessive power in the hands of the unions, was modified slightly. But it was designed to dampen down the labour unrest which had plagued the province for several years. The outcome is not yet clear.

The Government this summer

Strength

launched an official inquiry into the 1976 Olympics overspending seemingly a good issue for blaming its predecessors for giving "bad government." In November it got its reply in the Montreal municipal election. Mr. Jean Drapeau, a strong federalist and the man who publicly rebuked President de Gaulle after his dramatic "Vive le Québec libre" cry during his visit to Expo in 1967, was reelected overwhelmingly as Mayor for his seventh term. It is fair to recall that relations between Montreal, with more The French-speaking majority than 2m inhabitant and most of Quebec industry, and Quebec. City, the seat of government, have always been tense.

Mr. Levesque has been cultivating the idea that his Government is in the long tradition of French Canadian nationalism, logical successor to Premier Maurice Duplessis with his campaign for "sutonomy" for Quebec, and of Premier Jean esage, with his slogan Maitres chez nous." It was Lesage. Mr. Levesque, a former member of the Lesage Cabinet, who last year ordered a huge statue of Premier Duplessis out from storage and placed prominently

before the National Assembly. Mr. Ryan was chosen as leader of the Quebec Liberals. in a flurry of optimism early this year. For some years he has been a leading exponent of moderate Quebec nationalism before audiences in other parts of Canada. He is the former publisher and editor of the. influential French - language daily Le Devoir.

Soon the polls showed Mr. Ryan ahead in popularity compared with Mr. Levesque, but his rating has slipped recently. Mr. Ryan's task is not only to breaths new life into the Liberal riding organisations. He has to develop his own credible: constitutional alternative independently from Ottawa, attack

and puncture some of its propafor an undefined ganda sovereignty-association."

The political debate, and the delayed effects of the language legislation have contributed to keeping growth slow in the economy and to the continuing high unemployment of around depend indirectly on the 5,500 11 per cent. Last year the transfers, are also being lost. Quebec economy grew at not much more than 2 per cent in cause "eight more major real terms, or below the national firms" are planning moves out average. In 1978 the figure may of Quebec, reach 3-3; per cent, despite provincial tax breaks for small and medium-sized business and the resurgence in traditional indus-

Under

This would again be under the national average, and there is reason to believe that growth in 1979 will not be any higher. Business capital spending intentions for 1979 are still running below the longer-term trend line and well below those in Service industry, Ontario. growth has slowed down, and construction in Montreal is running at about 50 per cent of capacity. But in early December first signs appeared that the industry might turn up

again. The main support for public. and private investment together remains the \$16bn James Bay hydro project, where the first generators start up next fall. To help finance it, power rates will be rising around 20 per cent in the next three years.

Business remains extremely critical of both the language legislation and Mr. Parizeau's April 1978 budget which raised taxes on those with gross incomes of \$30,000 and above quite steeply and reduced deductions for a large number of professionals and salesmen on their cars. Business argues it management and technical staff. to transfer to Quebec from other parts of the country or from abroad because Quebec's personal tax rates in the middle areas are about the highest in the country. The longer term pattern in any case has been for company -headquarters to move to Toronto.

A Quebec Liberal party attidy.

The Parti Québécois Govern- ences, studiously avoiding the plaining the "options" from was hastened forward. A new the political and economic just published finds that Quebec record of the PQ Government, has lost or is about to lose 5,500 direct jobs because of the transfer of headquarters and departments to Ontario and elsewhere. since the 1976 election. Sun Life of Canada and Bank of Montreal, it says, are moving about 1,500 people to Toronto. About 15,000 more jobs, which and the exodus is not over be-

> Quebec's most active industries now are aluminium, aerospace and pulp and paper in all cases mainly because of the tries such as shoes and textiles. strength of the U.S. economy in the past two years. The recent federal budget, with tax advantages to industry and mining through higher investment tax credits, will help Quebec companies to remain competitive. The traditional industries such as textiles and shoes, and to a lesser extent furniture, bave been beiped directly by the lower Canadian

dollar and higher protection. Mr. Parizeau's main challenge is the continued growth a public spending at a Tale higher than the growth in the provincial economy. He is trying to get the public service unloss to accept a relatively large increase in the first year of a three year contract, and smaller ones in the last two. In view of continuing high unemployment (fl per rent) and slow growth, he may have some success. He has tried very hard to get the general public so his

Though schools in the cities are being closed each year by the score for lack of pupils the birth rate declined in the arry 1970s to one of the lower in Canada), education costs con-tinue to rise. The qualit of some services, particularly health care and hospitals, a departiculariy clining as the Government is increasingly difficult to get struggles to get unit costs lown to the levels of Ontario

The Levesque Governmen mherited many economic and administrative problems, bu its own policies and attitudes hve greatly contributed to the general state of uncertaity holding back investment ad more solid eco sonic progres.

R.5.

mara:

lemma

Pausing

CONTINUED FROM PREVIOUS PAGE

and gas wells are pumped dry. The boom of the 1970s that took they can work almost exclusively the province into nonconvention petroleum production on the tar sands and that built a peirochemical industry in the province took the diversification some way down the road. However, the diversification plans cided that if they are to remain were starting to run up against in Quebec and maintain their some basic weaknesses in the

land several miles from any large scale consmer markets. whatever barriers that U.S. may promoting erect if Alberta goes after its

These make the next stage of development a tougher go. The next petrochemical plants will

Alberta once conventional oil which Mr. Lougheed gets a Minister, Mr. Don Getty, wo larger royalty than from nonconventional sources. These considerations, as well as the timing difficulties of the big projects, probably required Alberta to take a rest from leading the Canadian growth parade, However, 1979 might not be the. best moment for a rest unless people could be persuaded that t was planned all along.

Mr. Lougheed's Progressive Conservative Government faces a provincial election in 1979 and has been weakened by announcements from nine of his mini-sters that they do plan to seek re-election. Curiously, all announced that they are not seeking re-election beause of personal reasons; however, it is widely known that more than one nose is out of joint because the Premier decided to seek a third term in office after earlier saying he would only remain for two terms. From a business standpoint, the biggest loss from the Cabinet will be the Oil

was widely expected to be k., Lougheed's successor.

. Phough the growth rate wil slow next year, Mr. Loughed ... will have several economicstrengths to talk about in the campaign. The cattle cycle at a peak and ranchers sa enjoying record prices, not us important in a province the has 40 per cent of Canada's bed herd. The tourist industry ha expanded impressively as have other service industries. Home ing_starts are almost double what they were when Mi-Lougheed first took office in 1971.

Forthermore, thanks to his oil revenue has he been able to provide one of the highest ivels of government service to the provincial electorate without provincial government borrowing for six years while lowering taxes to the lowest level of any Canadian province.

Partners with

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VDM Canada, and the shipping of concen- The Supply of Raw Materials trates by Montan Transport Canada. Metallgesellschaft is well established in Canada – with a concept for the future.

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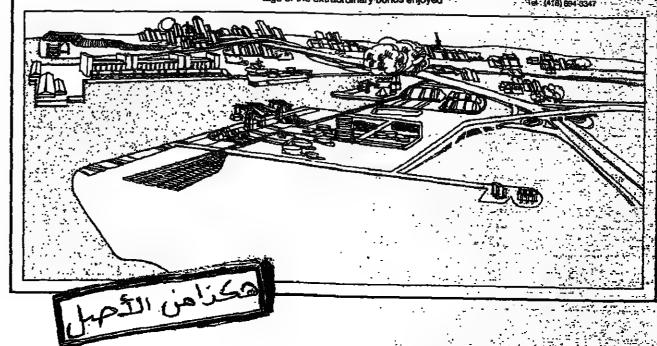
The Beauport Flats are part of the well known Port of Québec's top-notch features such as year-round navigation, proximity to world markets, modern bulk and general cargo handling facilities, 15-meter draught and its location at the heart of a complete intermodal network of rail, air and road transportation.

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by industries banking on a cost stashing waterway site for direct receiving and shipping of raw materials and products. If the scale factor is an essential com-ponent of your business, you cannot af-ford to overlook the Port of Québec's Beauport Flats. Ask your experts to talk it over with our experts. Our financial conditions are well



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Californian rains, tinsel and real trees

YOUR CHRISTMAS FARE — AVERAGE RETAIL PRICES

Grapes (Spanish) (Almeria)

Almonds (solf shell)

Christmas trees (average)

Filberts (Italian)

Oranges Clementines

SHOPPERS never had a Christmas so good according to fruit and vegetable traders. Poultry producers are swelling with pride that turkey and chicken prices are hardly changed compared with a year ago, in spite of inflation. But there are black spots too: nuts, especially almonds and brazils. are considerably more expensive. Sultanas are in very short supply. Meats, apart from poultry, are costing 8 to 10 per cent more than last Christmas in line with the general rise in prices throughout the year.

However, an important ele-ment affecting prices more than usual this year is the highly competitive situation in the grocery and supermarket trade. Retailers are cutting their profit margins in many cases on traditional Christmas fare as "loss leaders" to attract customers.
This is distorting considerably
the usual relationship between
raw material costs and the actual price in the shops.

Poultry producers claim that return per bird. greater efficiency in production techniques has helped keep down the cost of chickens and cost of alternative turkeys. But they will readily oven-ready variety admit that competition among retailers in the High Street is playing an equally important part. It is estimated that some 10m turkeys are sold at Christ-mas time each year, of which over 7.5m are the frozen, ovenready, turkeys so popular with supermarket shoppers. By buying early in the year, allowing producers to plan their produce. The considered to be very good value this year either.

Bad weather in California sales, the average price of ovenready turkey this year has been kept to between 48-54p a lb. only marginally higher than last increase considerably more in year. But this achievement the months shead. Normally also means the shops cutting the state is the world's biggest their profit margins to a low

Sales of "fresh" turkeys are are the equivalent of sultanas; tunne and traders believe that it much smaller at between 2.25 they both come from seedless to 2.5m birds at Christmas, and white grapes. On average in the months ahead as supplies priors are far more erratic since they vary as Christmas day tonnes of "sultanas," but this which are only produced from



and the demand rises and falls. Currently the average price is between 64p-75p a lb, but there is a slight shortage of the smaller-size birds since farmers have been tempted to fatten them up more this year and obtain a higher

But, of course, the price is to a large extent regulated by the cost of alternatives like the oven-ready variety or chickens, whose price is also much the same as last year-between 41-52p for frozen birds and 54p-56p for fresh chickens.

Geese have almost priced themselves out of the market at a £1 a ib for quality that can be unreliable. Ducks are

earlier this year is the prime reason why dried fruit prices have risen, and are expected to producer of Thompson's seedless raisins, which in Britain

year's crop is only about 60,000 black seedless grapes in any tonnes as a result of violent quantity by Greece, have also rain storms in September just risen sharply in price reacting when the fruit was lying on the ground to dry. This disaster has meant that the U.S. instead of being a substantial exporter of dried fruit is having to import this year and has already

Sultana crops in the other main producing countries-Turkey, Greece, Afghanistan and Iran--are much the same as usual, but the UK Dried Fruit Trade Association estimates that the world is some 120,000 tonnes short of its normal requirements of sultanas as a result of the Californian disaster. Naturally other producing countries have put up

started doing so with supplies from Afghanistan.

Turkeys (frezen oven-ready)
(fresh)

(fresh)
Chickens (frozen)
(fresh)
Beef (forerib roasting joint)
(sirloin joint)
Lamb (fillet end of leg)
Pork (fillet end of leg)
Apples (English russes)
(Cox's)
(Golden Delicious)
(Granny Smiths)

(Granny Smiths) (Bramleys) Pears (Conference)

Dates (glove benes)

Cranberries

their prices. The market price for sultanas has jumped by £250 a tonne in the past few months to £850 a

Fortunately for Christmas shoppers competition among the leading grocery shops means that sultanas are still being sold at between 37p to 39p a pound drawing on old stocks, when the replacement cost is at least 50p a pound. Once these old supplies run out it can be expected that prices will rise substanti-ally. The effect of higher-priced sultanas is already being felt by manufacturing industry which uses an estimated 60 per cent of total sultana supplies cakes, biscuits and other food prodruts.

California is also primarily responsible for an extreme shortage of almonds. Heavy rains reduced pollination of the trees, which had previously been hit by two years of drought, cut output of Cali-fornian almonds this year to 77.000 tonnes compared with 141,500 tonnes in 1977 and a five-year average output of 105,500 tonnes.

The world almond crop at were forced to close as early as 191,000 tonnes is not drastically the end of July because of a lower because of much bigger production in Spain, but the problem is of supplies being available in the right place at the right time and quality speci-fications. Almonds in the shops are now costing between 70p to

80p a lb-almost double last

year's price. Brazil nuts are also in fairly short supply and costing 65-70p a lb against 50-60p a year ago. The reason for the shortfall of supplies is much more difficult to identify. Brazil nuts are not grown and harvested in the normal way, they simply grow wild in the Amazon region of Brazil, fall to the ground and are collected by casual workers filling up a hostload of the "husks" in which the nuts are contained. It is an arduous task giving poor rewards. It would appear that the collectors are increasingly being attracted to other, better paid, work becoming available as the development of the Amazon region gathers pace. Some Brazilian processing factories

shortage of supplies.

Prices of other nuts are affected by the shortfall in almonds and Brazils, but there are fairly modest increases for filberts (hazel and cob nuts) and chesinuts. Much to the relief of the trade and annual Chinese walnut boat has arrived safely and prices are only marginally higher.

Overall, however, fruit and vegetable traders are expecting bumper Christmas sales as a result of plentiful supplies and lower prices. It is estimated that fresh vegetable prices are per cent lower than last year and fresh fruit 11 per cent cheaper. This compares with a rise in the cost of all food of around 7 per cent in the past 12 months.

Good weather in the past year has boosted production of homegrown fruit and vegetables considerably. Root crops are in particularly good supply, so are Brussels sprouts—the traditional British favourite vegetable at Christmas when supplies were Christmas—and they are virtu- scarce following a very poor

However natural Christmas trees are more expensive, with

ally half the price of a year ago. The shortage of potatoes has been replaced by a big surplus in the past two years and prices are very low.

Imported produce is affected by the abundance of homegrown supply, even when there is not a direct alternative. Cheap apples, for example, mean that oranges cannot be too expensive since housewives switch from one to another. In fact citrus supplies are good. Satsumas, the seedless tangerine much favoured for putting in Christmas stockings, are cheaper this year because of a good crop in Spain, and Israel is stepping up sales of an alternative, with " peelability," Jaffarines

Israel is also pushing fresh dates as an alternative to the traditional "glove" box dates that come from Morocco and Algeria, via Marseilles, Culifornian dates in tubs—claimed to be more hygienic—are also challenging "glove" dates.

Grapes and bananas are cheaper this year, but the big fall in prices is with apples. Some home-produced apples are half the price they were last

General Investment Company.

crop, especially of Cox's. This year there has been a much bigger crop, although it must be admitted that some of the quality is poor. This means that imported aples are cheaper too, so are pears even though this year's crop of Conference pears was not too good. In spite of some rumours to

the contrary mistletoe, which is largely imported from France, is in good supply and so is holly. which is fetching about 50p a

the most popular smaller trees in short supply. A four foot tree-now considered the most popular size-is likely to cost between £3 and £4 instead of 22.80 to £3.60 last year. The average price has gone up by iup to Sup a foot, but this is an average including "tops" average including "tops" (without roots) and a "sleeved and blocked " tree costing more like £1.20 a foot. The shortfall in supplies of " natural " Christ-mas trees is attributed to growers reducing their plantings as a result of competition from the "tinsel and wire" imitation trees, which it was thought would gain a more domi-nant share of the market than has actually happened.

It takes eight years for Christmas trees to be produced from seedlings so the effect of the cutback in plantings is just starting to be felt. In recent years demand for trees has gone up by some 20 per cent, but it will take some time for growers to boost output sufficiently

The growth in demand for natural Christmas trees in the eyes of some traders confirms a swing back towards more traditional Christmas goodies. This links with a tendency for more natural fresh products. If this is true then shoppers should be well satisfied this Christmas since it is factory products that will carry the main burden of

Letters to the Editor

: Al moral ::: dllemma

Fron Mr. M. Imrie principal grade in a fringe body of the civil service. I abhor the weapon, believing in negotiation with recourse, if necessary, to arbi-tratin. Our 1979 pay provide tax relief for genuine "sovings," when some of the tratin. Our 1979 pay negliations present me with a moul dilemma.

The pay research unit (PRU), which your readers will know is an independent body, is proucing figures showing the pay of direct analogues in the prists sector. Indications are that this would justify an increase in excess of 20 per cent formy grade. The Government, be it Labour or Conservative. it Labour or Conservative, wil probably insist on 5 per cet or cash limits. The difcet or cash limits, the our-feence is the extent to which private sector has found www.round.successive phases o pay restraint during the last tee years. If we accept the per cent guide lines the 1980 PLU will show an even greater dierence (the private sector is t so inhibited). There will valid reasons to restrain that unacceptable and so on. In te meantime executive officers al be qualifying for Governw pay and the level of quality cruited to the civil service ill decline further. The service at attracts grudging admiraon from outside our shores, ad which you have come to spect, will be on a downward

Perhaps I am too pessimistic. erhaps the Government will ccept the civil service as a pecial case (because of the omparability aspect) and settle the 1979 PRU findings in full or in guaranteed stages. Perhaps it will allow arbitraion. Indications are that it will do neither. My union is asking me to be prepared to strike. Have I any justification for

M. Imrie, 2 High Street. Toller Porcorum,

Industrial democracy From Mr. L. Brennan.

Sir,-The letter (December 15) from Mr. D. Wallace Bell, director of the Industrial Participation Association, betrays an impatience with employee shareholders as if they were a greater nuisance than other shareholders. Every big company's share register contains the names of people who have lost contact with the company. It would surely be inequitable to force a departing employee to sell shares merely because he might lose contact, when other people who have never worked for the company at all can remain as shareholders and lose contact if they so wish.

Mr. Bell's second point, about the "administrative burden" of industrial democracy, which he apparently hopes to reduce by encouraging employees to sell shares after five years (subject to getting full tax relief then) also runs up against the prob-lem of equity. As the law stands now, the tax relief provided is We would no longer be con-cerned with who owns industry and how those who work in it can achieve financial participation. We would be up against the awful problem of how to

savers may be merely taking funds out of one pocket and putting them in another pocket where tax roller is provided.
As an adviser, Mr. Bell is perhaps over-reacting to the pin-

naps over-reacting to the purpricks felt initially by finance directors who are conferred with administering a share scheme for employees, but in my experience one of the great benefits of the new profit sharing legislation is that finance on the annual statistics of the directors who have spent years of the profit of the more about people and personnel problems. After the initial pinprick stage they like their new role and this must surely be of benefit to future industrial relations.

Lawrence Brennan. Copeman Paterson, Toxistock Square, WC1.

From Dr. C. Oppenheim

 Indexing patents

Sir,-Recently your ce columns have devoted some space to the question of indexing patents. One point that has not been stressed is the fact that a patent reprea bargain between the State and an inventor. The state grants a monopoly, and in return the inventor must reveal all he knows about the inven-The purpose of publishdetails of the new invention. By Eric J. McGraw. reducing the quality of patent classification, the Patent Office. classification, the Patent Office Margaret Pyke House, is reducing the access to patent 27-35 Mortimer Street, W1. information and thereby they are weakening their side of the

Mr. Arnot (December 6) mentioned that there is no statutory requirement compelling the Patent Office to maintain an effective information retrieval service for the public. It is high time this became a statutory earnest in his article of Decem-requirement and I would well ber 14? Or could it be he is come any moves in this direc-

Dr. C. Oppenheim, (Lecturer in Information The City University. Northampton Square, EC1.

From Mr. J. Richardson Sir.—The letter (December clear. What is in fact the broad 14) from Mr. McDowall of reality? When the National the unlooked-for and damaging consequences of mixing concepts of social welfare or democratic accountability with busi-

Unlike the corporate plans of ICI or GEC, those of British Shipbuilders are concerned with the future disposition of "public money" and are there-fore absolutely fair game for comment in the interests of "open government" or tofour per cent return on the invested sum and this can possibly
be distributed from the inthe first field of the first field from th 'open government' be justified for a locked-in will face the first private comsituation. If the tax relief were panies to have dedicated reforgreater, people who do not work mers on the boards in the guise for companies with share of worker-directors — who will not sure what credence should Prince of Wales Drive, SW1L

difficult to feel any confidence in the future of large-scale British industry, except as an institutional substitute employment.

P. Richardson, Humphrey's End. Rectory Lane, Sterenage, Hertjordshire.

An overcrowded

Sir.—I refer to your article on the annual statistics on social benefits of the new profit shar-ing legislation is that finance trends (December 14) in which you report that "The most important myth to be demolishthinking mainly of money sud- additional mythology the one denly find themselves thinking ed this year is perhaps the one

The statistics from Social Trends might show that the UK has less people per square kilo-metre than Holland, West Germany and Belgium which although correct distort the fact that most people in the UK live in England (46.5m out of the 55.9m) and England is not only more densely populated than any other country in Europe. is, with the exception of small island states, second only to Bangladesh as the most crowded territory in the world.

Notices which say "Please do not walk or play on the grass "Save our farm from the M24 motorway" capture the dilemma of a country like ours Where land is so limited.

But it is the constant pressure to produce more goods from limited resources in order to pay for our food bill, and the mands this makes on the world community, which should ing patent specifications is so convince your readers that that the public can read all the are an overcrowded country. convince your readers that we

Population Concern.

Social trends

From Mr. J. Glyn Barton Sir.-Pleads Joe Rogaly in expertly manoeuvring to cheer us all up for Christmas?

As unit trusts, for example,

know, one can produce a very different picture of performance depending on the date taken as baseline. In quoting our rela-Corporate plans the article choses the period between 1950 and 1975 to place us ahead of Italy and West Ger-many—at least I think that is British Shipbuilders provides a Health Service came into being pleasantly sharp illustration of we did indeed lead most of the world in these and associated matters. But what a deterioration has taken place since. Today we have a higher percentage of morbid and handicapped births than any country in Europe Including Spain. Our standards of maternity services and pre-natal care are years behind places like France and Sweden (for example, the absence of the simple but vital nutrient test of pregnant mothers, in all but a very few

than their sisters in Europe.

-With these examples, I am

schemes could justifiably claim certainly maintain that their be placed on the other statistics that they too should have view of the public interest must culled from "Social Trends." equivalent tax relief. We would take precedence. This is a Of course, many of them are then be in a different ball game. major reason why it is so not compared with situations not compared with situations abroad but only with those at other times here. It does, however, seem clear that the Germans, Belgians, Danes and Irish drink more beer than we do. and the French and Italians more wine . . . perhaps they can thought for Christmas! 2-4. Chickester Rents. Chancery Lane, WC2. Chancery Lane, WC2.

> Looking for leadership

From Mr. M. Blakiston Sir,-Mr. Rutherford's views time of uncertainty, nber 8) are, I suspect. shared by a large number of people. I doubt, however, people. I doubt, however, whether many would express them in terms of such sweet

lack of authority of our party leaders. This country, as the issue over whether or not to join the European Money System has made clear, is currently at a cross-roads. It has to decide whether it has the abilities, and the will, to remain in the fore-front of industrial nations, or whether to continue in gracious decline and end up in pride of place among countries currently regarded as emergent.

There are three important things in this country's favour at present. The limitations of demand management as a means of creating wealth have at last been recognised, and we can therefore concentrate our efforts where they should always have side. Our revenues from North Sea oil present us with a unique opportunity to re-equip our ageing industries and invest in new products and technology The micro-chip revolution offers the chance for our industries to "leap-frog" our current lack of competitiveness and start on an equal footing again with our leading competitors.

present Of our leaders, only Mr. Wedgwood Benn has committed himself to an industrial strategy involving investment on a massive scale. Mr. Callaghan seems to be edging towards it, and his hesitation over the EMS is, hopefully one of politics and timing rathe lack of conviction. Mrs Thatcher, leader of the one party one would expect to be taking a lead in the matter of increasing national wealth, has so far set her face against Government intervention, and will be relying on industry to regenerate itself by the simple expedient of getting Government off its back. It is possible she is right, but the evidence is not encouraging and to many people this is just another variation of the "free-dom" created by the last Conservative Administration, the results of which are not likely to be forgotten—or forgiven-

One thing is, I think, certain, The country is looking for leadership, and its current mood, given the disarray among the parties, is "a plague on both your Houses." In the next election the economic situation will emerge as the central issue. and the electorate will give it support to whichever party puts forward the most convincing proposals for halting and revers-ing, the country's decline. If neither Mr. Callaghan nor Mrs. Thatcher does this at least one of the beneficiaries could be Mr. Wedgwood Benn.

GENERAL

EEC Foreign Ministers' meeting in Brussels consider report on General Agreement or Tariffs and Trade (GATT) talks; and aid for steel industry.

Agricultural Ministers of EEC in Brussels discuss fixing farm prices, and improving wine sector Meeting in Brussels, EEC

Environment Ministers pian policy for environmental development. Rhodesian Parliament assembles to repeal all racial dis-

erimination legislation. Australian Prime Minister, Mr. Malcolm Fraser, on official tour Turkish Prime Minister, Mr.

official tour.

Today's Events Bulent Ecevit, in Sweden on OFFICIAL STATISTICS Department of Employment publishes December provisional

provisional

U.S. Treasury gold sales in Washington—1.5m oz on offer. Last day for posting first class Christmas mail. laternational court of justice at The Hague decides whether it has jurisdiction in dispute

between Greece and Turkey on Agean Sea oi! rights. Sir Kenneth Cork, Lord Mayor of London, attends Turners' Company dinner at Apothecaries'

Health and Safety Executive annual report published.

Tex Abrasives, Interim figures: Hazlewoods Proprietary (third quarter). COMPANY MEETINGS

H. J. Baldwin, Winchester House, 100 Old Broad Street, EC. 11.30. Clyde Blowers, Living-stone Street, Clydebank, Dumbartonshire, 11. Hartley figures for unemployment and unfilled vacancies. Third quarter product.
COMPANY RESULTS
dividend: Northern Boird, Winchester House, 100 Old Broad Street, EC, 2.30. Jenks and Cattell, Park Hall Hotel, Final dividend: Northern Foods. Plaxton's (Scarborough) Goldthorn Park, Wolverhampton, 12.15. Moran Tea, Tea Brokers' Association, Sir John Lyon House, High Timber Street, EC, 12. Morland, Ock Street, Porvair, Westinghouse Brake and Company, Interim dividends: County and District Properties. Diamond Stylus Company, Electric and General Abingdon, Oxfordshire, 12.30. Investment Company. FMC. Laurence Scott. Plysu. Stanhope Yorkshire and Lancashire Invest-

Charlottet Street, Manchester, 12,



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Tricentrol profits surge in first nine months

REPEATING the achievement of first nine months topping £2m. the same period last year, Tricentrol has more than doubled pre-tax profits for the first nine months of 1978, from £3.4m to £7.01m, despute oil production delays.

The Thistle Field produced 13.6m barrels of oil in the nine months, Tricentrol's share being 1.31m barrels, giving a pre-tax profit of £3.6m.

Production was below predic-tion because the number of wells completed was below forecast, the directors say No crude has been sold on Tricentrol's behalf in the third quarter.

The reduced rate of drilling will result in fewer production wells being drilled in 1979 and has reduced the operators estimate to 45m barrels-Tricentrol, 4.3m barrels. Severe weather has limited production in the last quarter of this year. The group has been able to

improve its financial position by renegotiations of its medium-As announced last month, the

refinancing of a substantial part of the Thistle Field loans has now been successfully completed. In addition, a U.S.SIEm loan for seven years has been signed with the Royal Bank of Canada. Of this sum, 89.6m has been used to repa) other group loans from the Royal Bank of Canada,

to increase the capitalisation of European companies.
In commercial activities in the UK, third quarter profits of £0.7m were depressed by supply difficulties in several businesses and the usual seasonal weakness

while the balance has been used

in the garden trade. The automotive division con-tinued to perform well in the Sales revenues in local cent incre third quarter with profits for the currency terms in Europe are per cent.

sale of quoted investments, com-

pared with £176,028, pre-tax

profits of J. and R. B. Jackson.

At the interm stage, when profits showed little change at

£1.2m (£1.16m), the directors said

September 30, 1978.

	0003	2000
Turnover: UK oil and gas	9,531	_
North America: Oil and gos-Canada -U.S.	3,411 2,152	3,697 2,323
UK. Automative	63, 22 8 23, 70 9	38,211 17,036
Trading	6,519	6,423
Other activities. Manufac — Australia Trading—Canada Operating companies.	355 1,892 110,796	344 2,367 70,401
Profits: UV. oil and gas	3,600	•78
North America. Oil and gus—Canada —U.S.	893 874	1,040
Lisquid	2,042 632	1,202 333
Trading loss	300	†154
Manufac.—Australia Trading—Canada loss Operating companies Research expenditure Central costs	47 71 7,723 182 351 298 254	20 35 3,696 54 200 339 503
INTEREST LEGBLASDIC !!	7 4 40	2 000

further with the agencies again

Operating profit Exceptional debits ...

niaking a good contribution.

Profits of the trading division in the third quarter, though only some £60.000, represent a substantial improvement on the corresponding period for any

surion that was undertaken in at 155p are on a p/e of 9.6 and 1977 achieved record results. a yield (assuming the 25 per Sules revenues in local cent increased expected) of 1.6

J. Jackson expands to £2.8m

profits on investments sale.
They now say that they expect

are shown to have risen from 5.6p to 6.5p and the final dividend is

\$12,500,000

True Temper Corporation

a wholly owned subsidiary of

Wilkinson Match Limited

Senior Notes due 1993

The undersigned arranged the private placement of the above Notes

with institutional investors.

Smith Barney, Harris Upham & Co.

Incorporated

Yearly earnings per 5p share

This announcement appears as a matter of record only.

ment over last year's record re- cash and investments stood sulr, without taking into account slightly in excess of £4m.

slightly in excess of £4m.

December 19, 1978

Trading profit 2.318,532 2.139,461

22,732,453 19,543,511

26,887 30,356 489,100 176,028 2,778,745 2,285,133 816,910 812,279 301,861 252,919 1,658,984 1,350,014

INCLUDING A £489,100 profit on figure to show a modest improve-

metal merchant, advanced from to continue the progress made

they expected the full year from 0.9075p to 1.0133375p.

£2.29m to £2.78m for the year to over recent years.

now running at about the same levels as in 1977. Organisations in Holland and Belgium are now able to handle more activity. The manufacturing group in Australia made a profit of £28,000 during the third quarter,

comment

Production from the Thistle Field was less than expected in the third quarter and Tricentrol's profits from the field were consequently lower than those of the second quarter as it takes its profist on a pro-rata production basis. Severe weather conditions have further hindered fourth-quarter production. But the field is now on the Brent system and, with the Sullom Voe terminal now operational, pro-duction should improve in 1979. I the U.S. and Canada, oil and gas profits were also down. The Uk automotive operations, based on Ford and Vauxhall franchises, had a very strong third quarter and, at the end of the first nine months, were well ahead of last year. The Ford strike is expected to hit the fourth-quarter figures and, as a result, profits from this sector are likely to be down on the final quarter of last year but ahead of last year's full-year figure. UK trading profits in the third quarter were small but substantially better than the same period last year, while those in Europe added to that division's losses already sus-tained in the first half. With quarter not particularly encour-Tricentrol Builders' Merchants. azing the company may have benditing from tight overhead to struggle to reach the £10.5m control and the branch rationalianalysts estimate. The shares

DIVIDENDS ANNOUNCED

	Current	of	Sponding	for	last	
	payment	payment		year	year	
egio-Amer Asphalt int	1.07	Feb. 19	1.07	_	2.69	
il & Simeint.	0.87	Feb. 9		_	4.77	
risty Brosint.		Feb. 16	0.66	_	28	
own House 2nd int.		Feb. 23		_	3.38	
nae inv. Tstint.		Feb. 23	1.35	_	3.1	
Leboffint.		_	0.77	_	1.75	
& H. B. Jackson		April 10	0.5	1.01	0.97	
la. Liverpool Tst. int.		_ _	0.13	_	0.59	
Monkint.		Feb. 14	1	_	3.51	
orth British Steel		Feb. 16	_	2.03	1.82	
ebe Gormanint		March 3			5.84	
theby Parke Bernet		Feb. 6	5.08	9	5:08	
HEROY FAIRS DEFECT	Q .	T-E-0- 0	U/MD	-	4.00	

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Includes payment on ACT reduction. § Making 2p (I.Ip) to date,

Siebe Gorman ahead and confident

FROM increased turnover of FROM increased turnover of £22.55m against £19.11m, profits before tax of Siebe Gorman Roldings rose from £1.92m to £2.11m in the six months ended

September 30, 1978.

The growth in both sales and continues and the directors growth and progress will be

The interim dividend is raised from 2.212p to 2.4p—last year's total was 5.641p from pre-tax profits of £4.47m

The first-half profit includes associated companies contribu-tion of £162,000 (£151,000) and is before tax of £881,000 a minst £957,000. The group makes firefighting equipment and under water products, industrial safety and survival equipment and leisure and protective wear.

Reversionary bonus

AN unchanged final bonus rate of 30 per cent of attaching reversionary bonuses is announced by the National Mutual Life Assurance Society. This bonus is paid

1977, when it was increased from 25 per cent and this latest decision reflects the static situation of the stock market this

maintained this rate since July 1.

National Mutual operates a biennial basis for its main reverrates for the two years ending December 31, 1978 will be declared when the valuation results are available. The previous declaration on endowment assurances was £4.20 per cent per

annum compound.
Friends' r'rovident Life Office is lifting the interim rever-sionary bonus rate on its personal pension policies for the self-employed from £5.30 per cent per annum to £5.50 per cent per annum compound. This is the second increase since the basic reversionary bonus rate was declared at the end of 1976 of 15 per cent, and reflects the higher return of the pension

Thus for a man aged 39 an annual ocntribution £500 a year will produce a cash sum at age 65 of £61,548, assuming this new rate remains unchanged, compared with a projected value of

£58.841 on the previous rate. The company is keeping its interim bonus rates for ordinary on with-profit policies when they life and endownment business in become claims by death or the UK unchanged at £4.40 per maturity. The company has cent per annum compound.

Hanson Trust expecting long period of growth

continue long into the future, Sir James Hanson, the chairman, tells shareholders and the group has the capacity to produce en increasing return and growth in earnings annually.

Referring to the more than three times covered dividend, the chairman says that as soon as it is possible, it is intended to bring shareholders' return more into line with earnings

Following two years of doubled profits, the group produced record pre-tax profits of £26.1m for the year ended September 30, 1978, against £24.4m. This is the consecutive increased profits, says the chair-

Had the sterling-dollar ex-change rate been the same at the year-end as at the beginning, an additional £1.8m profit would

have been reported.

On a CCA basis, pre-tax profit is reduced to £22.9m (£21.5m) after adjustments for deprication, £3.5m (£2.3m), cost of sales, £1.1m (£1.6m) and gearing, £1.4m

The balance sheet is stronger with cash funds in excess of 250m and net indebtedness remaining

Although the group has not been able to invest in new businesses in the UK to the extent recently agreed to acquire the Henry Campbell Group, U.S. opportunities abound and con-tinued progress is expected there.

Meeting, Great Essiern Hotel, E.C., January 17, at 11.30 aim.

Williams Lea recovers in second half

Second half pre-tax profits of \$510,657 against \$415,300 lifted Willams Lea Group, printer, to a record \$734,791 for the year to October 1, 1978 compared with a previous £715,541. Sales for the period rose from £7.66m to

man, says the group has made a much better start to the current year than last year, and the directors feel confident of a good performance, "provided there are no disruptions from any quarter."
The directors are recommend

ing a final dividend of 122.16p per £1 share, making a total of The chairman says that the

first few months of the year under review were adversely affected by the financial priting section of the business, resulting from the sudden reduction in work concerned with Eurodolla

which is unquoted, spent nearly 1750,000 on plant and equipment and has plans for a further investment in new technology during the current year.

Sotheby's pays 9p total as earnings forge ahead

to £2.44m at the interim stage, and widespread publicity pre-tax earmags of Sotherby attributed to auction sales Parke Bernet Group finished the year to August 31, 1978 well ahead from £4.87m to £7.02m.

Net auction sales for the 12 months totalled £161.1m (£123.94m) and gross revenue improved to £31.48m (£24.19m). Tax takes £3.37m (£2.44m) leaving the net balance up from £2.44m to £3.65m.

£2.44m to £3.85m.

Earnings per 25p share are shown to have risen from 23.9p to 33.8p and the final dividend is 6p net for a 9p (5.0754p) total. The cost of the dividend, ignoring waivers, is 981,000 (£553,219).

On prospects the directors say that during the first four months. that during the first four months of the current season net auction sales (excluding real estate) are expected to approximate £72m, compared with £51.9m for the corresponding period, an increase

of 38 per cent. While the prospe next few months look encourag-ing, it is impossible — given the nature of our business — to fore-cast how the remainder of the season might develop. There does seem, however, to be an increas-ing awareness and interest in the international art market, not

throughout the world.

Similar result for S. Leboff

PROFITS before tax of S. Lebaff (Fobel) slumped from £876,614 to: £20,214 in the first half of 1978 but it is expected that the year's profits will be very similar to the £1.02m achieved last year. year's profits will be very similar to the £1.02m achieved last year. The interim dividend is lifted from 0.7683p to 0.845p and a maximum permitted total is expected—last year's total was 1.75n

shadowed in the annual report,

the directors say. The DIY division has shown good turnover and profit growth and this trend has continued at a satisfactory rate in the second half.

As known turnover of the electronics division was well down on the first half of 1977, resulting in a substantial loss for

the period. During the second balf of 1978 During the second half of 1978 electronics manufacturing has shown a considerable profit but heavy research and development costs (which are written off as they are incurred) and marketing costs will almost certainly prevent this division from being profitable for the year.

The litigation referred to in the annual report is not yet resolved. While it is not possible to predict the outging as the

resolved. While it is not possible to predict the outcome as the amount involved severy substantial it must be imped timi the outcome will be favourable, the directors say.

The improvement in both form

Turnover for the half-year was down from 19.1m to 18.4m. over and profits of the DIY. following the change in deferred tax, the directors consider it impractical to show a tax charge. Results for the first-half are much in line with those foremuch in line with the with the

British Sugar quota outlook

With EEC production quotas supplying half the nation's sugar in line with what he was expediture for renegotiation by 1980, it by 1980-81.

Turnover for the year to for the rearrent wear. Corporation and the country to produce in excess of the "A" quota of 1.04m tonnes, Sir Gerald Thoriey, the chairman, says in his annual report.

As low cost producers, the chairman says the group feels entitled to claim that its quota should be increased "or even if others are reduced, that ours should be maintained."

The present quota enables the group to produce up to 1.8m tonnes per annum, slightly in excess of the group's target of 1.25m tonnes. At the end of this fourth year of the five-year plan the group will have installed capacity to process this target in a 120-day campaign.

Increased sugar production can be expected in the current year. due to a larger area being drilledto beet and higher yields per hectare, the chairman says.

Sugar sales should further increase and increased pulp sales will help both growers and

the group.
In 1977-78, it was the third year in succession in which sales increased substantially and means that the group is right on

course to achieve its aim of

Turnover for the year to September 24, 1978, rose from £268.27m to £304.22m and profits before tax were £25.58m against £20.47m. Profit was reduced to £13.4m after adjustments for depreciation, £11.75m, cost of sales, £585.000 and gearing, £157,000.

The Government holds some Meeting. Hyde Park Hotel, S.W., January 11 at noon.

Gresham Trust set for record year

Profits of Gresham Investment Trust improved from £453,000 to £502,000 in the six months ended September 30, 1978 before tax of And the board expects that the percentage rise in the first half profit—10 8 per cent—will be maintained in the second six months. Commenting on the first half result, Mr. Proter Wreford, chair-man, says the improvement is well

that record profits were expected for the current year. The interim dividend is lifted

The interin dividend is lifted by the maximum permitted, from 0.71339p to 0.79661p. The total last year was 2.01895p from pre-tar profits of £1.96m.

The first half profit before randoes not include earnings of companies where the group's before taxed 20 per cent. If first attributable profits (in excess of the dividends received from 132m), had been consolidated pre-fix profit would have facreased from 132m).

Capital profits for the six months before tax but after provisions amounted in £650,000c.

Net asset value as at September 50 after adjusting listing ments to market value and directors valuation respectively and allowing for tax but unrealised profits was 50p per share.

The group is in a very figure is at present represented by ash gilted deed securities and a forture of the net asset take is at present represented by ash gilted deed securities and a forture of the net asset take is at present represented by ash gilted deed securities and a forture of the net asset take is at present represented by ash gilted deed securities and a forture of the net asset take is at present represented by ash gilted deed securities and a forture of the net asset take is at present represented by ash gilted deed securities and a forture of the net asset take is at present represented by ash gilted deed about the net asset take is at present represented by ash gilted deed about the net asset take is at present represented by ash gilted deed about the net asset take is at present represented by ash gilted deed about the net asset take is at present represented by ash gilted deed about the net asset take is at present represented by ash gilted deed about the net asset take is at present represented by ash gilted deed about the net asset take is at present represented by ash gilted deed about the net asset take is at present represented by ash gilted deed as the net asset take is at present represented by ash gilted and a forture of the net asset take is at presented by ash gilted and a forture of the net asset take is at p gilt-edged securities and term denosits,

This means that the group, is well obseed to meet any depend for finance from industrial and commercial companies or rom sucressful private complete needing an injection of share and

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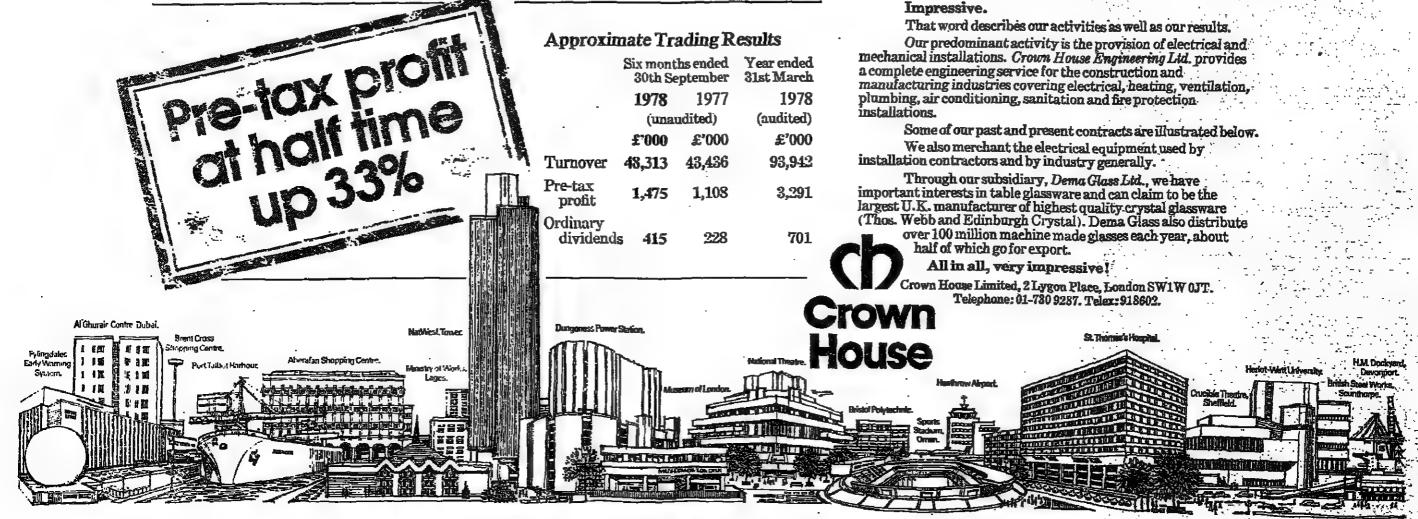
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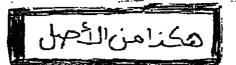
delmbok

The Royal

mpressive, that's the view from Crown House.



You may not see us, but we're there.



A. Monk sees full year outcome at around £3m

and Company, civil engineer and building contractor, say pre-tax, profits for the year to February 28, 1879 are unlikely to exceed £3m by any significant

In the previous full year, a £2.73m surplus was struck after a £1.71m provision against trading debt due from its Nugerian subsidiary. Petrs Monk Engineering and Confracting Company.

Taxable profits for the half-year to August 31, 1978 were £1.26m, compared with £0.97m which was after a 21m Nigerian provision. Turnover rose from 538.1m to 541.6m.

In the UK first-half trading results are lower than expected and xome 35 per cent below earnings of the same period last year, the directors state.

Sclays in the settlement of contracts completed in prior years reduced the anticipated profit accruing from this source and margins on current work have come under pressure. The directors believe these trends will continue for the immediate

Included in the 1977-78 accounts was an amount of £450,000 on respect of the cost of the accursation last February of DMJ and its associates. Howpanies as ut May 31, 1978 show a net asset deficiency of £658,000 which has been treated as pure of the cost of the investment.

at this dedicionary will form the Trust has renewed its loan of basis of claims under the pur-U.S.\$ 3.5m from Clydesdale Bank

At this stage, they say it is not possible to estimate the out-come of these claims, not to quantify the emount that may need to be written un as an

Trading losses since acquisition, of £50,000 have been included in interior results.

Overseas, activities of the Nigerian subsidiary proceed on a limited basis. Despite regular submissions to the Authority concerned, little progress has been made on settlement for the contract for the reconstruction of the Ikorodn and Airport Roads.

In accordance with the provisions for the Nigerian Enter-prises Promotion Decree, 1977, this subsidiary will become 60 per cent Nigerian owned after December 31, 1978, and arrange-ments to effect this have now been made. been made. --

After tax of £557,000 (£503,000) and minorities, £40,000 (£32,000), attributable profits for the period expanded from £432,000 to £587.000. The interior dividend is main-

tained at 1p net per 25p share, costing £108,000 (same)—last year's final was 25085p. SCOTT. NORTHERN DOLLAR LOAN

Scottish Northern Investment

up again despite difficult

Extracts from the Chairman's Statement

"Nwik Save profits

trading conditions"

Turnover increased by 27% from £152.4m

in 1977 to Lighgen this year, while net profit thefore taxation amounted to Lo.7m compared

The main expansion during the year was in the Midlands, South West and South Wales.

Thirty-two new stores were opened making a

otal of 156 at 2nd September, 1978, thereby

ncreasing the net selling area to 1,025,000 sq.

t. On 27th September, 1978, we purchased the there capital of Cee-n-Cee Supermarkets

imited which operates as discount grocery tores in Lancashire, Cheshire and in the

We are reorganising Cee-n-Cee to suit our

"We look forward

192.890

Copies of the report and accounts are available from the Company Secretary, Kwik Saye Discount Group Limited, Warren Drive, Prestatyn, Clwyd LL19 7HU

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with confidence

1975 -1976 1977 1978

Potteries, where we were not well represented.

with £8.6m in 1977, an improvement of 13%.

chase agreements, say the director for three months with effect from December 8, 1978 at 13 per cent

Christy Bros. sees shortfall

ALTHOUGH TAXABLE profits of Christy Brothers, the mechanical and electrical engineering group, were up £6,000 to £74,000 for the six months to September 30, 1978, the directors warn that the full year figure is not expected to reach the previous year's record level, when a £311,000 surplus was achieved.

They say that despite a continuing demand for the company's total range of products, the loss of certain contracts appeared for

interim last time—the 1977.78
final was 2.28p.

After tax of £0.77m (£0.58m)
and minorities, half-yearly attributable profits advanced from of certain contracts expected for the second six months has caused £0.53m to £0.7m. them 40 view the immediate future with greater concern.

Stated pre-tax earnings per 25p share are 3.7p (4.2p), and 3.4p (3.8p) after (ax. The interim dividual to 6.85p. (9.55p.) are and the

Profit payable
Profit before tex
Tax
Net profit

own trading requirements. We expect this will

take about twelve months and will limit the profitability of Cee-n-Cee in the meantime.

trade last year have tested the Group. Our

ability to show increased profits is confirmation

that our policy of permanent discounts at all

times will continue to benefit customers and

account the benefits of full integration of

Que-n-Cec, the Board look forward to the

9,701

While it is too early to make any forecast of profits for the present financial year, trading is running at a satisfactory level and taking into

shambolders alike.

1974 1975 1976

The competitive conditions in the retail food

Turnover
Profit before tea
Corporation tex
Extraord, debits dend is 0.67p (0.66p) net and the directors expect to recommend payment of a final-last year's final was 2.144p.

Corporation tax. 767 576
Extraord. debits 8 —
Minority loss . 4 †1
Available 704 531
Proference div. 13 17
Ordinary 115 228
Retained 276 290
* After depreciation on freehold properties £53,359. Provincial depreciation on treehold was charged only in respect of Middle East, and amounted to £7,678
† Profit.

comment

Profits from Crown House's glassware division jumped 40 per cent to £747,000 in the first half and cellpsed, for the first time, the profit contribution of £695,000 from the contracting division. The glassware jump relivets strong demand, the openreneers strong demand, the open-ing of new "shops within shops" retailing Crown House glassware and the repackaging of cheaper products previously sold to botels, which has proved attrac-tive to general constraint solutions. On the traditional electrical contracting side, revenue rose from £34.1m to £36.5m with margins at 1.9 per cent. These figures show the pressure on margins in the UK where competition for confracts is particularly flerce. The outlook for the second half is

brighter with trading activities. After tax of £0.55m against buoyant. Pre-tax profits will £0.47m, net profits increased receive about ta £500,000 boost from £0.43m to £0.48m.

They point out, however, that

optical products. Other activities include the manufacture of garden

products.
Sales for the first half improved

implements and

banking and corporate finance not be sustained in the current services, operating profits of half because of a significant de-Bremar Holdings, the unquoted services, operating profits of Bremar Holdings, the unquoted banking and financial group, more than doubled from 1460.546 to 1963,510 for the six months to Scotember 30, 1978.

and ininorities, first-half profits improved from £360,975 to £400,064.

At the half year, shareholders' funds stood at £6.11m (£5.69m at March 31, 1978).

British Vita applying for dividend boost

The directors of British Vita.

limit.
Mr. Fernley Parker, the chair-Mr. Farnley Parker, the chairman, says the group was caught with a low dividend when dividend restrictions came in. "We have been looking for a way to break out, although, would not want to pay a dividend in one year that we could not repeat in the next."

E. Elliott

Crown House expansion

WITH TAXABLE surplus up from £1.11m to £1.48m on turn-BOARD MEETINGS over of \$48.31m against \$43.44m The following companies have notified dates of Board mustings to the Stock Exchange. Such meetings are usually held for the purpose of considering discients, office indications are not available as to whother discipled without such discipled without before a form the based mainly on last year's timetable. for the six months to September 30, 1978, the directors of Crown House expect a further advance in profits for the full year compared with 1977-78, when a peak

pared with 1971-78, when a peak 23.29m was achieved.
Conditions in contract engineering and in merchanting remain competitive, despite reasonably buoyant demand, they state, while trading in the remaining areas of the group has TODAY
Interms:—Curper Industries, County and District Properties Diamond Styles, Electric and General Investments, FMC, Laurence Scott Plysu Stanhood and General Investment, Ter Adrissives Finals.—Northchart Investments, Northern Founds, Plaxtons (Scurborough) Power, Westinghouse Brake and Signal remaining areas of the group has shown a satisfactory improve-

The group's interests are in electrical and mechanical engineering and contracting, and FUTURE DATES Interims.— Danks Gowerton Dec. 20 Jan. 4 Dec. 21 table glassware manufacturing.
A second interim dividend of
1.58p net makes a total of 2p to
date, compared with a 1.1p Cronite
Westland Aircraft Dec. 21 Jan 10

> from the completion of two property projects in the period.
> Moreover there is a slight possibility of a dividend increase greater than the 10 per cent allowable but this involves con-1977 1993 43,436 1,103 576 vincing the Treasury that the cover in 1972 was exceptional. The shares closed unchanged at 63th yesterday giving a prospec-tive yield of at least 38 per cent

N. British Steel tops £1m

UNCHANGED SECOND half pre-British Steel Group (Holdings) resulted in the full year figure to September 30, 1978 ahead from 20.3m to 11.01m, on sales of 19.98m against 18.79m.

At the interim stage, the directors said that if the company could attract sufficient business for its heavier range of foundries it should achieve profits equal to the previous year.

Stated carnings per 25p share rose from 8.2p to 8.7p and a final dividend of 1388755, including payment on ACY reduction, lifts the total from 1.815p to 2.02675p nei.

Sharp gain at Bremar

MAINLY DUE to substantially

Mr. Erwin Brecher, the chairman, says indications are that the progress is being maintained for the rest of the year.

Sales for the first half improved from £1.98m to £2.48m. After tax of £54,000 (£33,000), the net profit came out at £50,000, compared with £20,000, for stated the rest of the year.

For the previous full year. profits reached a record dividend is raised from 0.630 to \$1.378,978. After tax, exceptional items

The directors of British Vita, the foam products company, are hoping the Treasury will allow them to give shareholders a larger than normal dividend increase.

The Board is expecting to be allowed to count for dividend cover purposes, some £1.5m profits from the group's 50 per cent share in the Nigerian company. This is despite the fact that the share was reduced to 20 per cent after that company's that the share was reduced to 20 per cent after that company's year-end in September, but before British Vita's calendar year-end.
This could give scope for an increase in dividend of about one-third instead of the standard limit

the next."

The group is well pleased with its recent Caligen Foam acquisition and looks likely to seek more takeovers in its field. It has a five-year growth plan and is hoping to achieve a target of 50 per cent profits from UK and 50 per cent overseas by 1980.

progress

For the half year ended September 30, 1978, profits of E. Elliott have advanced by £41,000 to £104,000 and the directors are looking- for a satisfactory result for the full year, against £247,000 in 1977-78.

ART GALLERIES

Sotheby's

Sotheby Parke Bernet Group Limited

Summary of audited consolidated results for the year ended 31st August, 1978

The directors of Sotheby Parke Bernet Group Limited announce that the audited consolidated results for the year ended 31st August, 1978 are as set our below (together with corresponding figures for the previous year).

Net Auction Sales 161,097 123,937 31,482 24,185 Gross Revenue Earnings before taxation ... 7,024 4,873 1,541 18 Less: U.K. Corporation Tax_ Deferred Taxation. 1,234 877 Overseas Taxation. 2,436 3,373 Earnings after taxation __ £3,651 £2,437 Earnings per Ordinary Share. 33.3P* 23.9p *31.1p if a full year's dividend had been payable on the Preference Shares.

Dividend on Ordinary Shares

The directors are recommending a final dividend on the Ordinary Shares in respect of the year ended 31st August, 1978 of 6p per share, which will be payable on 2nd February, 1979 to Ordinary Shareholders on the register on 12th January, 1979. This, together with the interim dividend of 3p per share, makes a total of 9p per share, which when added to the tax credit imputed in the United Kingdom, would produce a gross equivalent of 13.4328p per share. The total net cost of the dividends on the Ordinary Shares for the year, ignoring any waivers, would amount to £981,000 (1977 £553,219).

Current Scason 1978/79

During the first four months of the current season the net auction sales of the Group (excluding real estate sales) are expected to amount to approximately £72 million, compared with £51,910,000 for the first four months of last season, an increase of

The following are extracts from the Chairman's Statement which will accompany the Accounts:

"Whilst the prospects for the next few months look encouraging, it is impossible yen the nature of our business - to forecast how the remainder of the season might develop. There does seem, however, to be an increasing awareness and interest in the international art market, not least as a result of the continual and widespread publicity attributed to auction sales throughout the world; our activities are reported daily in several national newspapers in the United Kingdom and now weekly in the New York
Times, There is also frequent reference to the auction scene in numerous periodicals and on television both in this country and overseas."

"Nevertheless we have no cause for complacency and we are well aware that our business remains extremely competitive. Moreover, as our main activities are in locations where rates of inflation persist at high levels, we have constantly to face the problem of increased costs in a business which is labour intensive and which will continue to be so as we seek to improve the personal service that we provide for our clients."

Accounts and Annual General Meeting

The full Report and Accounts and Chairman's Statement will be sent to Shareholders early in January, 1979 and will be available on application to the Secretary, Sorbeby Parke Bernet Group Ltd., 34/35 New Bond Street, London WIA 2AA.

BUILDING AND CIVIL ENGINEERING

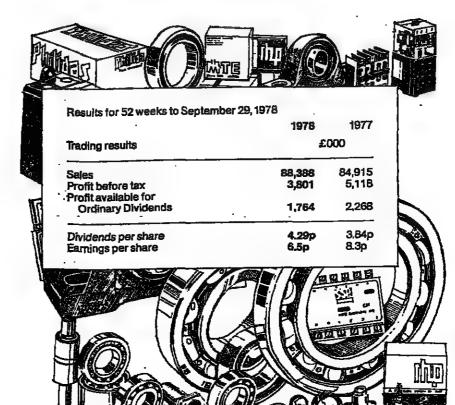
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of promise

- **BEARINGS** held market share at home, improved overseas.
- MTE, the electrical company, again increased sales and profits.
- PHILIDAS, the fastener company, saw a second half recovery.



RHP's profit before interest and tax was £4.8m compared with £6.4m In 1976/77 said Mr John Eccles, Chairman, in his Annual Report to Shareholders. Pre-tax profit was £3.8m (£5.8m) of which £1.9m (£1.5m) came from MTE.

Cash generated was £6.4m and the cash requirement of £5.3m showed a reduction of two thirds. As forecast, there was a cash inflow, totalling £1.1m. Capital expenditure was £1.9m, compared with an average of £5.5m in the previous two years. but is expected to be somewhat higher this year.

Stocks were virtually static in monetary terms during the year, which represented a volume decrease when measured against cost inflation.

RHP Bearings continued to hold its market share in the UK although there was a fall in demand, Export volume improved despite the strengthening of sterling. The underlying demand for bearings remains strong and there are now clear signs of the relative strength of demand and supply moving in favour of the manufacturers.

MTE continues to increase its market share and the further growth of this strongly managed business is being actively promoted.

The year ended on a better note than it started, concluded Mr Eccles. The present year has opened with some signs of promise. There is a more encouraging order book than last year and some improvement in results is foreseen.

Copies of the report are available from the Secretary, Ransome Hoffmann Pollard Limited, PO Box 7, Chelmsford, Essex.



oup Limited

176

150

100

50

A turnover increased by per cent from £14.58m to £17.38m, profit before tax of British Steam Specialities Group, specialist supplier of pipeline equipment, advanced 34.S per cent from £913,000 to £1,23m in the half-year ended September

After tax up from £475,000 to £640,000 net profit rose from £438,000 to £591,000

The net interim dividend is effectively raised from 136p to 1.5p per 20p share at a cost of £155,000 (£141,000). Last year's total was equivalent to 4.67p. paid on record pre-tax profits

A. Continental Finance profit falls to £2.5m

1913.) to see For the year ended June 50, 1978, profits before tax of Auglo-Continental Intestment and Finance, a subsidiary of Generale Occidentale, fell from £5.15m to

22 46m.
The profit facilities operating profit of £4.71m (£2.59m) and associates profits, £650,000 against £5.56m and is after central ex-

penses of £2.0m (£3m) and after minorities of £2.5m) and after minorities of £3.4.000 (£466,000) and an extraordinary credit, £894.000 against a £2.5mm debit last time, attributable profit for the year amounts to £1.97m compared with a £14.000 deficit.

The dividend is 1.5p (nil). Another subsuffary, Fing investment Company, reports profits down from 1899,539 to 1391,237 for 1977-78 before tax of f200,292 (£369,663).

A final dividend of 1.5p cuts the total from 4p to 2p per share.

Recovery seen by AA **Asphalt**

American Asphalt Company reports a slump in taxable profils from £254,000 to £3,000 and a deficit of £17,000 at the attributable level, compared with a profit of £119,000.

However, the directors are confident of a return to profitability in the near future and are recommending an unchanged intering dividend of 1.065p net. Last year's total payment was 2.685p, from pre-tax profits of

PMA LOAN STOCK CANCELLED

PMA Holdings, the furniture roup, has agreed to issue 187,500 shares (6.3 per cent of the enlarged capital) for the cancellation of all the £116,250 nominal of the secured loan

stock 1976/79. Mr. M. Levy, the owner of the loan stock, will receive 87,500 share and £62,000 bash, the latter washing, cleaning and hygiene, to be raised by the placing of the other 100,000 shares at 62p per

Mr. Levy acquired the stock as the final instaiment of the consideration for J. Eliman and

Rotaflex expands range with Linolite purchase

fittings and systems manufacturer, has agreed to buy the privately-owned Linolite concern. Linolite, which makes fluorescent strip and pleture lights, could cost Rotaflex up to a further £190.000 depending upon Linolite's profits performance in

the year to March 31, 1979. Last year the group earned £285,000 pre-tax profit at which time net assets were said to be £671,500. Since then, however, the group's main property has been revalued taking its book value up from £51,000 to £202,000. Rotaflex will next month make first payment of 1900,000-half in cash and half in shares. The balance is due to be paid next

August. The group said that the Linolite acquisition will fill in gaps in its range to produce a comprehensive lightings business. It also intends to extend Linolite's

export operations.
Capel-Cure Myers has made the offer on behalf of Rotafics, while Linolite has been advised by Morgan Grenfell.

Diversey has acquired the kitchen hygiene business of Albright and Wilson Service Products which comprises products and services concerned with industrial machine dish-

Diversey. acquired Moison Industries of Canada, supplies cleaning and the extering industry, as well as supplying speciality chemicals to

ART WALLPAPERS ACQUISITION

Art Wallpapers, the DIY sub-sidiary of Great Universal Stores, has agreed to acquire Rose and Co. (Wallpapers and Paints) from Imperial Chemical Industries. Rose trades from 57 DIY shops

in Scotland, the North, Midlands and South-West England. Art Wallpapers has 80 shops in London and the South-Eeast Both companies sell a similar range of decorative materials and geographically the acquisition will provide G.U.S. with a national network of DIY stores. G.U.S. in addition has a substantial market in DIY products through its mail order catalogues.

BELHAVEN SALE

Belhaven Brewery has accepted a \$435,000 cash offer from Ellerman Lines for the freehold of two hotels and the long leasehold of a third, subject to contract. Belhaven plans to use the proceeds in the expan-sion of its tenanted houses

division.

The hotels are currently leased to Ellerman Travel. They have a book value of £416,000 and contribute £36,000 annually to reutal

GEORGE WIMPEY

Shareholders George the scheme of arrangement whereby shares in that company

For an initial consideration of the food, brewing, and agricul-filling Rotaflex, the electric light tural industries. become effective on January 25 and dealings in the new com-pany's shares should start on January 29.

DAVID DIXON

Mr. Ronald Palfreyman, former chairman of David Dixon, manufacturers of woollen and worsted cloth, has sold his stake of around

11 per cent in the group.

Meanwhile, Dixon's rights issue has been taken up as to 95.96 per cent. The balance has been sold at a premium of 13!p per share. Net proceeds, which represent 12p per share. will be distributed to entitled sharedistributed to entitled share-

ASDA OFFER UNCONDITIONAL

The offers on behalf of the Associated Dairies Group to acquire both Associated Dairies and Allied Retailers have been main open for acceptance. The offer for Associated has been accepted by 98,790,151 ordinary representing 91.3 per cent and 437,409 preference-

87.5 per cent.

The Allied offers have been accepted by 94.2 per cent of the ordinary and 97 per cent of the preference capital.
Associated Dairies Group in-

tends to acquire compulsorily the outstanding ordinary and preference shares in Associated and in Allied

SHARE STAKE Lercx — Mr. K. Maharajh, managing director, is now interested in 194,000 shares.

Bovis buys house builder for £4.45m

Bovis Homes, the house-building element of the P and O group, has acquired B-Vis Constructions, a leading Midlands-based housing company, and two associated companies, for £4.45m.

The acquisition complements Bovis Romes' existing building programme in the West Mid-lands. Commenting on the B-Vis. deal, Mr. Malcolm Paris, chairman of Bovis says, "this substantially correspondence. tially strengthens our sales coverage in the area, providing us with two large, strategically placed sites in a region where demand for private housing is

B-Vis is currently developing 600 houses at Manor Way, Hales-owen, ad has recently gained planning consent for 900 new omes at Oak Farm, Warmley.
Other B-Vis activities include two public sector contracts for the housing corporation at Sut-ton and Wednesbury. Both are nearing completion.

TOOTAL HAS 49.9% OF BRADMILL

Tootal has increased its stake in Bradmill Industries, the Australian textile and clothing

The move has the agreement of the Australian authorities.
Tootal acquired its original holding in March this year when the group said that the acquisition would place its Australian operations on a more sound footing."

The British group has acquired all its shares in Bradmill from Mr. Bernard Hendel, who says he will remain a major shareholder. In Bradmill. Mr. Hendel has also recently been buying shares in another Australian company, Olympic Consolidated.

U.S. coal mine given new Act go-ahead

new coal mine in the U.S. essential to the nation's energy under the final regulations requirements and to its promulgated to bring into force economic and social well-being the Surface Mining Control and is provided and strike a balance Reclamation Act 1977 have been between protection of the received by Rocky Maustain environment and agricultural Energy for a 6.3m tons a user mediantering and agricultural

Energy for a 6.3m tonk a year operation in Wyoming.

The pulling together of the package of approvals for the mine on federal lands represents the start of a new era for a few era for a few era for a few era for the few er sens the start of a new era for U.S. coal mining. It took nearly 40 years for Congress to enact a federal surface mining law. The 1977 Act, with its regulations is the most comprehensive field. of all environmental measures available to regulate coal

mining.
Rocky Mountain Energy is a Union Pacific unit. Its Wyoming operation is at the Black Butte-mine east of Rock Springs, and is a joint venture with Peter

Riewit Sons Inc. Initial production at Black Buite is expected at the end of next year with full production in 1981. Long-term contracts have been signed for the output Australian textile and ciotuing have been signed to the output company, from 40 per cent to Idaho Power and Light will take 49.9 per cent.

The move has the agreement and Commonwealth Edison of the Australian authorities. Chicago will take 3m tons a

year for 20 years.

Construction of the opencast the approval of a mine plan by the Department of the Interior.

All the necessary state and federal permits have been obtained. Rocky Mountain Energy said.

The cost of development has at her disclosed by the little plant to the cost of development has at her disclosed but it indicates.

APPROVALS for the first major "to assure that the coal supply productivity and the nation's need for coal as an essential source of energy." scel

state

To this end, the Act and its regulations lay down the condi-tions under which mixing may take place and make provision for the reclamation of used land. Mining may be precluded if reclamation cannot take place in a fashion meeting federal reanirements.

Administration is in the hands of the Office of Surface Mining Reclamation and Enforcement within the Department of the In-terior, and it is this Office which has been engaged in lengthy con-sultations with Industry about the shape of the final regula-

the snape or the interior time.

The Department of the Interior does have a so-operative agreement with the state of Wyoming, which gives the state a crucial role in the application of the regulations.

It seems inevitable that Rocky

It seems inevitable that Rocky Mountain Energy was caught up not only in the period of mine will start shortly following uncertainty when the final regu-the approval of a mine plan by lations were being worked out but also in the vigorous affirma-tion by the state of its right to regulatory control and its criticism of the intrusion of the new Department of luterior office.

not been disclosed but it industry. The industry itself has been not been disclosed but it industry. The industry itself has been predictions about the impact of critical of the 1977 Act in general the Surface Mining Control and and its application in particular. Reclaimation Act are correct then An American Mining Congress the price of meeting the new policy statement said that legistregulations will have been sub fation will prove unnecessarily fation. All indications are that their many of the new regulations will be extremely expensive to are unreasonable and indication comply with both in terms of However, Rocky Mountain dollars and man hours in fact Epersy's apparent success in Energy's apparent success in climbing over the obstacles goes a small way towards helping the it is not clear that all of the climbing over the obstacles goes new regulations can be complied a small way towards helping the with. Mr. Donald Humphreys industry meet President Carter's senior counsel at Utah Inter- target of 1.2bn tonnes of annual national told the American coal production by 1985. At Hining Congress last October present output is running at A basic object of the ACT is around half that target.

Sibeka out of Ashton

prise et d'investissements Northern Muing ware lowered (Sibeka) has pulled cit of the 17p to 55p and those of Conzinc Rio-Tinto-Zinc group's Asisten Rio-Tinto fell 10p to 280. Shares diamond exploration venture in al Tenenistic Consideration bearings. diamond exploration venture in of Tangahyika Concessions held
Western Australia. No reason is
given by the Belgian group for As a result of the realignment
its decision to sell its 7 per cent of shareholdings. CRA's interest
interest in the venture to the
other pariners.

While this may be only a
normal investment realignment realignment.

Tangahyika Concessions held
of Tangahyika Concessions held
of

normal investment realisation decision the absence of any offi-cial comment sharply unsettled share prices of the other Ashron. partners in this sensitive sharemarket. in particular, the market was disturbed by the relatively low agreed price announced for the sale of ASS.04m (£2.9m) which set a time when the venture

ing's present 22.4 per cent stake in the venture, or 23 cents perper share of the company. This and gern quality, enough to compares with the recent share encourage CRA to move into a compares with the recent share offer price of 59 cents.

Tangust Proprietors, the mane siven to the Tanganyika Holdings enterest, goes to 8.1 per cent. from 8.4 per cent, and the holding of AO (Austrella) rises to
4.9 per cent from 4.8 per cent.
Northern Mining's holding The Sibeka sale comes st value on the venture of AST2si, seached an intriguing stage.

In turn, this suggested a value. Surface testing in the exploraof AS16.13m for Ashton Min. Non area has revealed the Mon area has revealed the presence of mainly small diamonds of mixed industrial

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bulk sampling phase. But how In London yesterday, Ashton discovery will turn out to be Mining shares were marked has not yet been determined.

RESULTS AND ACCOUNTS IN BRIEF

RESULTS AND ACCOUNTS IN BRIEF

3.COTTISH HOMES INVESTMENT CO.—Internet dividend 0.675p (0.6p) for 1978-73. Turmover 52.00m for heli-year to September: 30 (2.5m for year to March 31, 1978). Pre-tax profit C724,785 (239.30). Tax 525,000 (1.38.6f), moringage interest profit C724,785 (239.30). Tax 525,000 (1.38.6f), moringage interest profit C724,785 (239.30). Tax 525,000 (1.38.6f), moringage interest profit C724,785 (239.30). Tax 525,000 (1.38.6f), and share department of not least their least years payment of 1.39.000 (1.38.200) (1.38.200

CLIVE INVESTMENTS LIMITED

1 Royal Exchange Ave. London EC3V 3LU. Tel: 01.283 1101 Index Guide as at November 30, 1978.

Clive Fixed Interest Capital

Clive Fixed Interest Income

allen harvey & ross investment management ltv 45 Cornhill London ECSV 3PB. Tel: 01-823-8314 Index Guide as at December 14, 1978 Capital Fixed Interest Portfolio 106.17Income Fixed Interest Portfolio 106.48



BANK OF MONTREAL

ESTABLISHED 1817

1978 CONDENSED ANNUAL STATEMENT

Condensed Statement of Assets and Liabilities as at October 31

Assets	1978	1977
Cash resources	\$ 4,881,000,704	\$ 3,869,825,733
Government and other securities Loans including	3,970,788,522	2,964,064,193
mortgages	21,336,138,541	.17,122,112,026
Bank premises Customers' liability under	218,452,200	181,123,949
acceptances, guarantees and letters of credit	1,497,376,916 186,379,336	996,620,955 41,647,834
Other assets		
	32,090,136,219	25,175,394,690

Liabilities Deposits Acceptances, guarantees and letters of credit Other liabilities Debentures Accumulated appropriations for losses Capital, rest account and undivided profits

29,034,940,713 23,025,331,485 1,497,376,916 996,620,955 86,440,219 150,426,495 282,789,500 203,870,000 256,931,687 197,286,228 665,845,803 867,670,908 32,090,136,219 \$ 25,175,394,690

Condensed Statement of Revenue and Expenses for the year ended October 31

1978

110101144		
income from loans	\$ 2,160,532,9	45 \$ 1,670,851,191
Income from securities	254,875,6	
Other operating revenue	173,423,2	
Total revenue	2,588,831,8	2,008,098,814
Expenses Interest on deposits	4 570 057 7	72 1 150 747 002
and bank debentures Salaries, pension con- tributions and other	1,578,057.7	73 1,159,747,902
staff benefits	. 399,918,6	44 359,963,897
Property expenses,	•	
including depreciation	127,008,6	61 113,009,933
Other operating expenses,		•
including provision		
of \$60,383,933		
(\$44,176,300 in 1977) for losses on loans		•
based on five-year	•	
average loss experience	191,531,0	72 159,653,382
Total expenses	2,296,516,1	
Balance of revenue	·292,315,7	10 215,723,700
Provision for income taxes relating thereto	98,800,0	93,700,000
Balance of revenue after provision for		•
income taxes	\$ 193,515,7	10 \$ 122,023,700

Revenue

More than 1200 offices in Canada, the United States, United Kingdom, Continental Europe, Mexico, Argentina, Brazil, Venezuela, Australia, Indonesia Japan, India, Singapore, Philippines, Hong Kong and the Republic of Korea. Wholly-owned subsidiaries: Bankmont Realty Company Limited, Montreal; Canadian-Dominion Leasing Corporation Ltd., Toronto; Bank of Montreal Trust Company, New York, Bank of Montreal (California), San Francisco; Bank of Montreal International Limited, Nassau; Bank of Montreal (Bahamas & Caribbean) Limited, Nassau; First Canadian Financial Corporation Ltd., Hong Kong; First Canadian Financial Corporation B.V., Amsterdam, the Netherlands; First Canadian Financial Services (U.K.) Ltd., London, England; First Canadian Assessoria e Serviços Ltda., Sao Paulo, Brazil. Associated Corporations and Organizations: First Canadian Mortgage Fund, Toronto; First Canadian Investments Limited, Toronto; BM-RT Realty Investments, Toronto; BM-RT Ltd., Montreal; Australian International Finance Corporation Ltd., Melbourne, Australia; Australia International Ltd., Vila, New Hebrides; International Resources & Finance Bank, S.A., Luxembourg; Joh. Berenberg, Gossler & Co., Hamburg, Germany; Banque Transatlantique, Paris, France. Banking correspondents throughout the world.

> WILLIAM D. MULHOLLAND, President

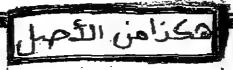
S: M. DAVISON Executive Vice-President and Chief General Manager



The First Canadian Bank

Bank of Montreal

HEAD OFFICE: 129 St. James Street, Montreal, Quebec



Hudson's

Bay wins

battle for

Simpsons

Hudson's Bay Company appears to have won the fight

for Simpsons Limited, the

department store chain and its

Simpsons-Scars as "passive

or in some circumstances it might be willing to sell the

Simpsons stake in Simpsons-

Last week, both the Simp-

merger plan, and the Bay's counterbid for Simpsons were

approved in principle by the

Federal Government, and the

ball was thrown back into

the hands of Simpsons share-

bolders to decide which was

the more atractive offer. On

a share-for-share basis, the

value of each offer was not

very different, except that in

the case of the Bay's offer

there is a cash element which

was not present in the Simp-

sons and Simpsons-Sears merger proposal.

The combination of the two

department store businesses

of Simpsons and the Bay will

represent annual sales of over

\$1.5bn, and moreover, will

bring together a great deal

of valuable downtown and

shopping centre property

The Simpsons-Sears busi-

ness, consisting of over 60

smaller department stores in

new shopping centres and the

largest catalogue sales oper-

ation in Canada, will have

volume of well over \$2bn a

interests.

sons and Simpson

MONTREAL

other half.

مكذامن الأجل

NORTH AMERICAN NEWS

Scepticism follows statement

NEW YORK—Industry observers reacted with a mixture of surprise and scepticism today to Friday's amountement by Kennecott and
Curtiss-Wright that they had
called a truce to their nine
month long proxy fight. And
it was not immediately clear
which side, if any, had won.

Surprise at the announcement was mainly due to the bitterness with which the battle had been fought though the recent change of chairman at Kennecott obviously had something to do with it. Sceptidism as to the outcome of the two-year truce centres on the uncertain prospects for resolution of the Carboruadum issue.

Kennecott, it is felt, would be seriously harmed by divestiture, because it has still not got its copper operations back on a sound footing. Curtiss-Wright, on the other hand, still firmly believes the com-pany should be sold off. Kennecott's shares opened \$1.25 down yesterday on news of

On Friday, Kennecott, which is the largest U.S. copper com-pany with sales of more than \$1.7bn a year ago, disclosed that it had agreed to a conplete restructuring of its main Board in order to secure a temporary truce in its bitter

feud with Curtiss-Wright. Rennecott said that through a combination of resignations and "Board action," Kenne-cott and Curtiss had agreed on the election of a joint list of directors, which includes ten present Kennecott Board members, three nominees from the list proposed by Curtiss in May and four nominees "mutually agreed" —one of the latter being a Curtiss Board member. The lest Board place would go to Mr. Thomas H. Barrow, elected to the Kennecott

of the Kanneout equity but cent to 25 per cent over 1977's this has proved a focal point \$1.98 a share while 1978 sales the annual meeting in May.

The truce now reached includes an agreement by Curtiss not increase its Kennecott holding above 21 per cent and tion associated with the proxy

on the second Monday of each month.

Pitney-Bowes emerges as Kennecott suitor for Dictaphone

the mystery suitor for Dicta- would be convertible into, and phone, the office recording vote as, one share of Pitneyequipment maker, was disclosed yesterday (Monday). It is Pitney-Bowes, another leader in the office equipment field, best known for its mail franking

machines.

Dictaphone's hoard was considering Pimey Bowes' representing a premium of about 38 per cent over the \$20.25 at which it described as According to a company state-

ment Pitney is proposing a two-stage transaction. The first would be a cash tendar of \$28 a share for up to 2m of Dicta-phones 43m shares. The second would be a merger involving the exchange of each remaining Dictaphone share for one share of newly authorised Pitney-Bowes convertible cumulative preferred stock, with a liquida-tion preference of \$38 and a \$2

Bowes common stock.

The offer is subject to approval by the boards of both companies, and Pitney-Bowes' review of Dictaphone's sales and earnings projections.

shares were suspended on rumours of a takeover last If the merger goes through, it would create a major com-bined concern in the office

equipment field, with headquarters conveniently located only a few miles apart on the both in the same broad line of

Pitney-Bowes sales last year were \$606m and its earnings \$36.5m. Revenue in the first nine months of this year was \$506.8m, and net income \$29.7m. Dictophone's revenues last year were \$211.6m, and net income \$5.5m. Nine-month figures this year showed revenue of \$177.3m and earnings of \$8.9m.

By next year, the two com-panies' combined sales would be in the region of \$1bn, putting them well ahead of other industry leaders like Addresso graph-Multigraph (sales of \$666.6m last year) and Saxon (\$511m)

New York-Connecticut border. Pitney-Bowes recently said
It was not immediately clear that it expected its business what anti-trust issues the systems sector to have a merger could raise since the two revenue of over \$1bn by 1982.

Corco optimistic on outlook

SAN JUAN - Earnings of \$20m for 1979 by Commonwealth Oil Refining Company are possible and annual earnings of \$50m are a "realistic target" for subsequent years, Mr. Howard Hardesty Jnr., the chairman of the Commonwealth Reorganisation Company, said. -

Commonwealth filed a voluntary petition under Chapter II of the Bankruptcy Act in San Antonio, Texas, on March 2, and has since operated its oil refinery and petrochemical complex in Puerig Rico as

debtor in possession.

court on July 20 to decide whether the business could be economically viable, Mr. Hardesty said the \$20m earnings figure was possible if

adjustments in management operating plans and procedures, and certain other conditions are These include the continuing co-operation of CORCO's credi-

tors and the governments of Puerto Rico and the U.S. For the first nine months of

Reorganisation Company was income of \$2.1m or 11 cents a commissioned by CORCO, its share, which excluded an extracreditors and the bankruptcy ordinary credit of \$100,000 or one cent a share. CORCO in 1977 had an operating loss of \$19.5m or \$1.41 a share, which did not include extraordinary credit of \$1.5m or 10 cents a

CORCO makes recommended Recommendations by Commonwealth Reorganisation Company include a reorganisation and strengthening of manage ment, enlarging CORCO's board placing the maximum ant of decision-making and amount authority in Puerto Rico.

Abbott Laboratories sees upturn

Board recently. tories sees this year's earnings Curtiss bolds only 9.9 per cent per share climbing by 24 per ground which dissatisfied Ken- should be up between 15 per pecott shareholders railied at cent and 16 per cent over last year's \$1.24hn, according to Mr. compound rate of 15 per cent Edward J. Ledder, chairman assuming a "reasonable"

and chief executive. In the fourth quarter slone Abbott's per-share earnings will probably increase by about 20

FT INTERNATIONAL BOND SERVICE

The list shows the 200 listest international bond issues for which an adequate secondary market

OTHER STRAIGHTS IN RAIN O/S Hold, 114 AS ... Auto Cote Sasq, 7 25 EUA ... Pluland Ind. SR, 7 25 EUA ... Pluland Ind. SR, 7 25 EUA ... Pensung & At EUA ... Pensung & At EUA ...

Komm. Inst. 78 ST EUA

Romm. Inst. 78 ST EUA

Panama & SS EUA

Algemens Bk. 88 ST J

Grant 18 ST J

CFE Maxico 11 SP F1

EIR 73 SF F1

New Zealand & St F1

New Zealand & St F1

Norway 54 SF F1

Lullever 10 SF F7

EIB 81 M FF7

EIB 82 M FF7

EIB 82 M FF7

EIB 83 M FF7

Finland 1. F6. 58 Lunfy

Norway 71 S3 Lunfy

Romany 71 S3 Lunfy

Romany 71 S3 Lunfy

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Gestowy Ffn. 38 Lunfy

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PLOATING BATE.

PLOATING RATE
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Bancoe Ms 55
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CONVERTIBLE COV.

BONDS data

Ancs St SS 9/18

Baker Ind. Fig. 34 98 1/79

Baker Ind. Fig. 34 98 1/79

Coca-Cola Borling 34 4/79

Ino-Vokado SP 32 6/78

Novo Industri 7 38 4/79

Thorn Int. Fig. 38 11/79

Tyco Int. Fig. 38 9/79

Tyco Int. Fig. 38 11/79

Inmitya 38 10 DM 11/79

Kontshiroku 34 55 DM 11/79

Kantahi Pool 34 DM 11/79

Muruta Man. 34 55 DM 11/79

Nippon Sudapan 34 55 DM 11/79

Nippon Shiapan 34 55 DM 11/79

Nippon Shiapan 34 55 DM 11/79

Nippon Sudapan 35 DM 11/79

Sanyo Electric 35 DM 11/79

Stanley Electric 35 DM 11/79

Stanley Electric 35 DM 11/79

Trica Kenwood 37 50 DM 11/79

No inturnation syntable

Trio. Kenwood 5 18 DK., IL/78 Th 90 981 — 81 IL/8

* No information available—previous day's price.

7 Guly one market maker supplied a price.

Straight Bousts: They yield in the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yea bould where it is to billions. Change on week—Ethangs over price a week earlier. Floation Rais. Neutroninated is dollars unless otherwise indicated. MacMinimum coupon. C.date—Date meant offered rale for U.S. dellars. Capa—The current compon. C.yid—The current yield.

Covertible boudge Denominated in dollars unless otherwise indicated. CBg. day—Change on day. Cav. date—First due indicated. CBg. day—Change on day. Cav. date—Date on day. Cav. date—Date on day. Cav. date—Date on day. Cav. date —Da

O The Financial Times Lid., 1978. Reproduction in whole or in part in any form not permitted without written consent Data supplied by Inter-Bood Services.

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xists. For further details of these or other bonds see the complete list of Eurobond prices published

added. Although some analysis from \$81m or \$1.36. Per-share have predicted that intensified competition may make life tougher for Abbott next year Mr. Ledder expects 1979 to be consistent with our announced long-term growth objective of a

economy. The diversified health-care products maker previously reported that nine-month net per cent to 21 per cent with income rose by 28 per cent to sales up about 13 per cent," he \$103.6m or \$1.73 a share, up

earnings in last year's period stock split paid in May 1978. Nine-month sales were up 17 per cent to \$1.05bn from \$897.9m.

In 1977 net carnings were \$117.8m or \$1.98. Fourth-quarter net income was \$36.9m or 62 cents on sales of \$347m. Pershare figures for both periods also have been adjusted for the

Simplicity Pattern in \$100m deal

NEW YORK - Simplicity Pattern has agreed to acquire the James E. Crass Group of bottling companies. one of the largest such franchises, for just over \$100m.

The seven privately-held Crass companies have annual sales of about \$100m. Based in Richmond the bottling com-panies serve markets in Wash-ington DC, Virginia, Pennsylvania, Maryland and Ohio.

Simplicity said it had sale agreements from holders of all the stock of five of the Crass companies and 90 per cent of the shares of the other two. It said the transaction would not involve issuing any new equity

Mr. Peyton M. Pollard, chief operating officer of the Crass group, will continue to run the bottling companies and will be a member of Simplicity's board.

McDonnell Douglas

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The Securities and Exchange Commission said McDonnell Douglas Corporation consented to a permanent injunction in volving alleged payoffs of about \$15m to more than a dozen foreign countries, Reuter reports from Washington. The funds were allegedly expended since 1969, according to the SEC, and involved payments to Germany, the Philippines, Korea, Kenya Uganda, Tanzania, Austria, Italy Mexico, Zaire, Venezuela, Holland, Pakistan, Japan, Argen tina, Iran and Kuwait.

Tally offer extended

Mannesmann Precision Instruments, a unit of Mannesmann AG of West Gemany, has extended its tender offer for Tally corporation stock 10 a.m. est January 12, Reuters reports from New York. As of Friday, Mannes-mann said about 1.6m shares of Tally stock had been tendered under the offer for \$14 cash per share. It already owns 2.3 shares of Tally stock and together with the tendered shares, now has about 75 per cent of Tally's total outstanding shares. The tender was to expire yesterday (Monday).

Rockwell sale

Rockwell International has sold its Admiral de Mexico subsidiary to a Mexican corpora-tion, AP-DJ reports from Pittsburg. The Mexico unit manufactures colour and blackand-white TVs and stereo systems for distribution in Mexico. As previously reported. Rockwell has disposed of its domestic Admiral TV business.

U.S. LOANS TO CHINA

Banks' position enhanced

AMERICAN banks should now be well placed to increase sharply competition with their international counterparts in financing China's trade and industrial modernisation programme, following the weekend announcement of the decision to normalise diplomatic rela-tions between China and the

Current projections by Bank of America suggest that China is likely to need \$30-\$35bn of

associated Simpsons-Sears store and catalogue sales-office chain. The Bay had bid nearly foreign credits up to 1985. C\$400m (U.S.\$470m) for all the shares of Simpsons Limited which, in turn, owns The bank's Asia representa-tive, Mr. Louis Saubolle, confirmed last week that China had half of the voting stock of been discussing the possibility of receiving direct loans from Simpsons - Sears. Roebuck of the U.S. owns the American banks, although no loans had yet been negotiated.

Simpsous withdrew its offer China has been showing an increasing willingness to turn yesterday morning (Monday) to merge with Simpsons-Scars, and recommended its shareo foreign sources of financing, although European and Japaholders to accept the counternese banks and trade financing seencies have been dominating bid from the Bay. this rapidly-developing area for The Bay's offer in each and

stock is worth approximately \$8.30 per Simpsons share. It had required 60 per cent acceptance from Simpsons business up to now. in Hong Kong at the weekend, commercial officials described the diplomatic moves shareholders. The Bay earlier had said it would regard the indirect investment in

as a "very positive step" for the U.S. in Chinese vessels, medium-term, but the long term ward. Although trade with while putting U.S. banks at a is more difficult to assers."

lack of full diplomaic relations bas been a handleap for U.S. It also means it should now be possible to advance on the

Up to 1985 China is

expected to be in need of foreign credits to about \$35bn. Following the "normalising" of diplomatic relations, American banks should now be nicely placed to step up competition in this sector of the loan

question of the assets of each country frozen by the U.S. and China at the time of the Korean

war, they added. The frozen assets question has een a recognised barrier to trade between the two countries. In particular it has stopped China shipping its exports to

market.

China has been expanding, the disadvantage with their European counterparts in financing Chinese trade. In the British colony itself, President Carter's announce-ment was welcomed by bankers

and businessmen. The Hong Kong and Shangai Banking Corp said it is predic-table that the pace of financial, commercial and cultural contacts between China and the rest of the world will increase

much more rapidly than had seemed possible a few months "This should in turn be of great importance to Hong Kong which is strategically placed to

act as a channel for increased contacts." A spokesman for Jardine Matheson Company Limited said the establishment of diplomatic relations is good news, but added that time is needed to see how it will affect Hong

Kong and the region. Hong Kong General Chamber of Commerce director, Mr. Jimmy MacGregor, said, "We shall probably benefit quite substantially in the short and

EUROBONDS

OPEC casts its shadow again

BY FRANCIS GHILES

PRICES OF dollar denominated case where straight bonds were bonds retreated by an average of one full point on the day in the wake of the decision by the Oil Producting and Exporting Countries on price rises totalling 45 per cent.

The larger than anticipated increase in the price of oil resulted in all the questions about the likely size of the U.S. balance of payments deficit next year and its likely effect on the performance of the dollar being rekindled. The news last week, full of gloomy forecasts about interest rates and inflation had led to a fall in prices. The OPEC decision just compounded

the market's misery. Selling orders came in yesterday but no buying ones. Trading nowever remained thin with dealers reluctant to open new positions ahead of Christmas. This had the effect of exaggerat-

The Floating Rate Note sector was also easier, but prices were hit less hard than was the issuing consortium's meeting priced at 994.

concerned. The six-month interbank rate

moved up from 1116 last Friday to 12) per cent today. Fore-casts that it would soon rise to 121 per cent came from many

The Deutsche-Mark sector was unaffected by all this gloom although some bankers expressed concern that speculation against the dollar might be given a boost. Though recognising the speculative factor in the buying of foreign

of the dollar was very bad news One area of the market where the tone was happier was the Kuwaiti Dinar sector. The KD 5m issue for the Industrial Bank of Finland was increased

DM bonds they argued that,

coming so soon after the Carter

package, the renewed weakness

to KD 6m and priced half s point above par by the lead manager. Kuwait Investment Company. The bonds carry a guarantee of the Republic of

Bundesbahn plans issue

FRANKFURT-The German in the first-half of January, Federal Railways (Bundesbahn) reports Reuter. may tap the domestic bond market with a DM 600m loan are currently available but over six year. It carried a next month. No further details

The Bundeshhan's last issue was for DM 550m in October terms could be set following the coupon of 8 per cent and was

t appears as a matter of record only



European Coal and Steel Community ("ECSC")

US \$40,000,000

Notes due 15th December, 1990

Private Placement

Daiwa Europe N.V.

The Bank of Tokyo (Holland) N.V.

Mitsui Finance Europe Limited

Nippon Credit International

Nippon European Bank

The Sumitomo Trust Finance (H.K.) Limited

(HK) Ltd.

Yasuda Trust and Finance (Hong Kong) Limited

December, 1978

We take pleasure in announcing that

LAZARD BROTHERS & CO., LIMITED LONDON

has become a Limited Partner of

LAZARD FRÈRES & CO. NEW YORK

December 19th, 1978

COUNTS IN SEE

DEUTSCHE MARK

SWISS FRANC SWISS FRANC
SIRAIGHTS
ACES ST 88
ACES ST 88
AUDICAN END INI, 34 35
AUDICAN END INI, 34 36
BENIZIE S 88
B

THE STRAIGHTS
Asian Dev. Re. 58 88
BFCE 6.4-98
Eurofina 6.3 20

Elf fights for price flexibility

and private, by the gradual diversification, than it has at its own problems. relaxation of state controls, have present. But the Government Industry and the state-owned Elf Aquitane Group, France's France with oil." second largest oil company.

down to the question of how going on about the future of (\$380m) on a turnover of FFr much freedom industry has, Elf. for much of last year. In 38bn. it should, therefore, sort especially for a company in the spring M. Albin Chalandon, out its refining problems within which the Government has a the company's chairman, asked the context of its whole 70 per cent stake. Elf has been for more state assistance to operations.

The argument here comes in a struggle which has been made a net profit of FFr 1.7hn arguing that it should be able protect its troubled refining EIF has no wstarted on this to act with the same commercial freedoms enjoyed by its inter-equity injection. Neither was a plan to rationalise its refinery

has come back with a stiff warn- Girand, Minister for Industry, words between the Ministry for ing that it must stick to its was that, in its entirety. Elf would entail: principal purpose of "providing Aquitaine was exceptionally France with oil."

This is the latest exchange flow in France." Last year, it

PARIS - The stresses arising national competitors, implying forthcoming, and the company activities. Costing between in French industry, both public more flexibility over pricing and was, in effect, told to sort out FFr 150m-FFr 200m, it is being The point made by M. Andre will lead to three main measures in its Elf-France division. These

> The closure of a refinery in 1980, either at Gargenville or

● A furtherf FFr 50m invest ment in its Ambes complex to maintain it at present levels of

 The construction of a new plant at Donges.

These plans entail a move away from heavy fuel refining towards the so-called "white products" (gas and motor fuels) in which Elf sees more pronumber of management changes which create a new top-lier directorate with overall planning responsibility, they seem have met the approval of the Government.

balked at a statement put out sees the State as simply another shareholder. In M. Giraud's view, despite liberalisation policies, the State continues to have a special role to play in the oil remains strategically important and a public company must responsible to the remain

Giraud, however, has

Billerud changes director

STOCKHOLM -- Billerud Uddeholm, the puip paper and board group which is in trouble after trying to merge the Billerud Company with Uddeholm's forest industry operations, has changed its managing director. The board announced that Mr. Gunnar Hindemark, aged 56, had been replaced by his deputy, Mr. Tryggve Bergek, 64, from

The chairman, Mr. Lars-Erik Thunholm, said that the differences of opinion which has arisen during the merger operation had become so large that a change of leadership was necessary. The dif-ferences concerned the safety margin with which the group should operate and the possi bilities of continuing opera-tions which were not cur-rently in profit, Mr. Thunholm

Billerud Uddeholm has heen losing SKr 4m (\$900,000) a week and has predicted a pre-tax loss of SKr 200m for 1978. Bir. Hindewark is understood to have advocated a retrench-ment policy, which would have entailed the dismissal of

Sony 26% profits decline sharper than expected *

after an exceptional advance in sales gained 10 per cent. VIR during the previous year, sales the previous quarter caused by sales rose 25 per cent to 16.8, were calculated at Y219 accounting factors involving per cent of the total, while average, while costs were set at the year appreciation. Net production during the year rose, Y238, the present year, Sony income for the entire year was 60 per cent to 400,000 units. For the present year, Sony down 26 per cent, more than Another 50 per cent rise is expects a 10 per cent increase down 26 per cent, more than Another 50 per cent rise is expects a 10 per cent increase down 26 per cent, more than Another 50 per cent rise is expects a 10 per cent increase.

fourth-quarter results were hurt for the year's rise. Net income dropped 36.8 per cent from a year partly because of an to recover strengty but most year ago to Y3.865bn (\$20m). It was about one-third of the Y9.604bn net recorded in the taz rate of 77 per cent (the movement in the year. The company spent about third quarter, and the lowest highest quarterly rate in ten. The company spent about third quarter, and the lowest highest quarterly rate in ten. The company spent about the year. ourth-quarfer results were burt quarterly net of the year. years). Pre-tax profit showed an Sales in the fourth quarter 112 per cent rise to Y11.545bn

The fourth quarter results

TOKYO - Sony Corporation home video tape recorder torical exchange rates used for consolidated net profit for the related products, were quite cost and current rates for sales fourth quarter of the fiscal year favourable. Overseas sales were widened. Cost of sales rose to ended October 31 fell sharply, up only 3 per cent, but domestic 69.5 per cent from 63.7 per cent after an exceptional advance in sales gained 10 per cent. VIR during the previous year. Sales poll

down 20 per cent, more trait. Another 50 per cent rise is expected to Y25.65lbn expected this year. National in consolidated sales. This is earlier expected to Y25.65lbn expected this year. National in consolidated sales. This is expected to Y25.65lbn expected this year. National in consolidated sales. This is easily from Y34.642bn in colour television sales were off figured on the cost basis of the previous year.

As in previous terms, the managed a 0.8 per cent gain. That and Y180 for the second.

Sales in the fourth quarter

cxpanded by 5 per cent to in the third quarter. The posicolour television and tape facilicxpanded by 5 per cent to in the third quarter. The posicolour television and tape facilitive effect of the Yen's revaluation on earnings of overseas spend another Y300 this year;

y137.341bn a year ago, and for the year were up 5.7 per cent to Y534.917bn (\$2.7bn)—a new record total.

The company said that it felt the company said that it felt its sales gains, particularly in rise as the gap between his the year to Y119 from Y161.

SAS final shows big upsurge

Airlines System (SAS) reports 38 per cent rise in pre-tax carnings to SKr 126.7m (\$29m) for year ending September 30. The Board also forecasts a further improvement during by SKr 1,26bn to SKr 6,44bn. the current year but warns-as it did last year-that SAS's earnings level must be raised even higher, if the company is to be able to meet its future capital needs.

The past year

management role.

Exports

We have seen a general

improvement of business in

£59 million in tax is paid.

considered reasonable.

Acquisitions

Shatterprufe Industries.

in the context of available business.

our Companies. Group results show

a consolidated net trading profit of

year is 17.5p compared with 15.1p

£55.4 million. Our dividend for the

last year. These results are better than I expected a year ago.

include those associate companies where we have a direct

From this you will get some idea of our size.

The responsibilities of our group are considerable as we must

We have on our payroll 158,000 men and women; this payroll

amounts to £230 million in a year, and these people engender a

turnover of £1.162 million and a profit of £169 million on which

The group's exports (excluding the proceeds of the sale of gold)

of our exports comes from base minerals such as coal, uranium and

chrome ore with increasing amounts from beneficiated ores in the

been difficult and in view of this our export performance can be

increased by £17.4 million to a record level of £125 million. The bulk

form of cement, ferrochrome, stainless steel and certain manufactured

steel products. Conditions in many of the international markets have

The events of most significance to the group this year, however

manufacturing organisation whose activities are complementary to

our existing engineering business and a 55 per cent interest in the

merged Reed Nampak/Barpak group which means we now have a

We also acquired the Natal based NMI group which markets

Mercedes-Benz vehicles, and two other smaller motor distribution

their operation the builders merchants interests of Plate Glass &

particular sectors of the economy and of our group's business. As

opportunities arise, we will continue to add to the group companies

that have growth prospects and are managed by people of ability and

integrity. We shall also pay increasing attention to the possibility of

our overseas companies making new acquisitions as we consider the

market share of some of our businesses in South Africa is now large

The past year has seen a turn around in the South African economy

and, after a year of no growth in 1977, there is now firm evidence of a

moderate economic upswing having taken place since the beginning

improved exports and an increase in local consumption expenditure.

of 1978. This has been achieved by a much higher gold price.

of diversification as we believe that this helps to protect both

shareholders and employees against adverse fluctuations in

The South African economy

companies also in Natal. These investments were made with a view to

enlarging and diversifying our existing interests in the motor trade in

South Africa. Subsequent to the year end Federated Timbers added to

In general terms we have always aimed to maintain a broad policy

large and diversified investment in the packaging field. Both

make an important contribution to our profits in the future.

interest in GEC South Africa a very important electrical

were undoubtedly our major acquisitions which included a 50 per cent

acquisitions were made during the latter part of our year. Their effect

on group earnings per share is not material, but they are expected to

ahead of the previous year. Traffic revenue was SKr 4.64bn of SKr 90.8m. Group operating expenses rose

SKr 347m. only SKr 22m up. and the SKr 126.7m pre-tax The preliminary figures for activities" and the rest from 54.3 to 55.7 per cent.

STOCKHOLM — Scandinavian last year show a group operat-sales of equipment. Last year show a group operat-sales of equipment of SK-7.05hn sales of equipment of SK-7.05hn sales of equipment operat-sales of equipment operat-sales of equipment operations. the group profit, SKr 34.9m out

SAS's other business operations such as hotels and catering charged is services, made a pre-tax profit of SKr 94.1m, which is SKr 16m ahead of the previous year's e SKr 126.7m pre-tax figure. SAS had a 12 per cent breaks down into increase in traffic in 1977-78 100m from "current and its load factor rose from



BARLOW RAND LIMITED Pre-tax profit increase of 25.7 per cent

Extracts from the statement by the Chairman, Mr. C. S. Barlow

Year end 30 September	1978	1977	1976	1975	1974	
£ millions* Total assets Turnover Profit before taxation Profit after taxation Consolidated net trading	849.1 946.1 124.7 78.2	644.7 725.7 99.2 62.9	473.5 622.0 82.3 52.6	411.4 536.8 65.2 44.6	328.3 423.1 54.0 36.7	
profit after outside shareholders' interest	55.4	45.0	42.5	.37.2	31.2	_
Earnings per ordinary share—net trading profit	51.6p	44.1p	41.9p	37.7p	31.9p	
Dividends per ordinary share *Rate of Conversion—1 So	17.5p outh Afri	15.1p can Ran	13.9p	13.4p 8.	11.6p	

The Government has made it abundantly clear that it wishes South Africa to develop as a free enterprise society and that the ting the economy from the recent recession rests mainly on the private sector. This is a challenge which we have no

hesitation in accepting. At the same time a welcome change has been taking place in the policy of the Government towards the expansion of the industries in which it has invested public moneys. Private enterprise, I believe, is now being encouraged to develop without fear of competition from such Government concerns. South Africa is one of the few countries in the world which is moving in this direction and I hope that this trend has been observed by industrial companies in the West whose management and business philosophies conform closely

Social responsibilities

For some years now considerable progress has been made both in our own and other South African companies towards the equalisation of opportunities and rewards for employees of different races. We consider our own group policies as progressive and continue to devote a great deal of attention at all levels to training and development. In June 1978 we published the Barlow Rand Group Code of Employment Practice copies of which are available to shareholders on request. The object of the code is to provide firm guidelines for company managers and at the same time to make our employment policies known to our employees, shareholders, business partners and bankers. It is a consolidation of policies enunciated in successive annual reports and guidelines issued to group companies from time to time. It makes specific commitments relating to selection and promotion, training and development, remuneration, retirement benefits, negotiating rights, integration of facilities and improvement of the quality of life of employees. Companies of the group are preparing programmes and timetables to bridge any gap that may exist between these commitments and existing practice.

A second project commissioned by our educational foundation is nearing completion. This is a technical high school at Mdantsane, near East London, which is a gift from the C.S. Barlow Foundation to the people of the Ciskei. The school is due to open at the beginning of the school term in February 1979 and initially will cater for 450 pupils. The Foundation will be spending £435,000 in providing the buildings for the project under the supervision of our property division and its consultants. The Foundation will consider other projects in pursuance of its ongoing objective of augmenting the supply of badly needed skilled manpower in southern Africa by fostering technical education and training.

Prospects for next year

There are a number of indications that the upswing in our economy will continue through 1979. This of course assumes that there will be no major socio-political upheaval and that the Government will takesome further positive action to stimulate the economy. In this event we should see a real growth in the South African gross domestic product next year of between 3 and 4 per cent. Many of the industrial and trading companies in our group are already beginning to feel the effects of the economic recovery and are budgeting for improved results. We will also benefit in 1979 from a full year's trading from both GECSA and Nampak. On the other hand, our mining division which performed better than expected last year has now reached a platform of earnings where it is likely to remain until 1980.

The financial position of the group is strong and if there is a follow through to the recently improved business conditions in South Africa I expect the coming year to show some growth in earnings.

Olympic share deals

SYDNEY — The Melbourne Mr. Hendel carried out a Businessman, Mr. Bernard vimilar operation with restile Hendel has emerged as the group Bradmill Industries. He largest shareholder of tyre and dated Industries after the most plicated by a battle with the extensive sharemarket buying interests of another Melbourne Australia. Olympic has about but Mr. Hendel early this year 50m ordinary shares, and Mr. gained control of Bradmill. Hendel began buying on the Soon after however, he sold 40 market several months ago.

Over the past two weeks the or the state of the buying has escalated sharply received government approval with a number of large institutional investors quitting their mill to 49.9 per cent tutional investors quitting their mill to 49.9 per cent holdings.

Frontietly, Mr. Hendel has holdings.

there is no indication that he to 49.9 per central has finished buying. The lt was announced that Mr., operation to date would have Hendel would remain a deputy cost about As7m (U.S.\$8m), chairman and a large share. week to join the board.

st shareholder of tyre and began buying Bradmill shares group. Olympic Consoli- late in 1977. This became rombusinesman, Mr. Abe Goldberg per cent of Bradmill to Tootal Over the past two weeks the of the UK. At the time Tootal

Mr. Hendel now holds close to sold a further 4.17m Bradmill 25 per cent of the capital and shares to Tootal, lifting its stake

The Olympic board, which has holder in Bradmill and that he heen keeping an eye on the would continue to take an buying, invited Mr. Hendel last active role in the management of the company.

week to join the board.

The step-up in the pace of At current market prices for huying coincides with the Bradmill the sale, to Tootal release of draft company legis would realise close to Asam, lation which would make such which would offset a considermore able amount of the funds out laid to date on Olympic.

Steady growth

Jordanian airline Alia will make a net profit of \$2.2m this year, marking its sixth consecutive year in the black, manager, has announced here.

This is a sharp increase over last year's profits of \$780,000.

Gross revenues of \$126m this year and operating profits of 59m were due to a load factor of 60 per cent, and total passengers carried sp. scheduled flights of 780.006. This represents a 30 per cent increase to Alia's growth, a rate that has been maintained over the past five years.

Interest paid on loans and

losses from foreign exchange conversions account for the

profits and net profits.

Mr. Ghandour also announced that Alia will lease two Boeing 707 jets to expand its operations early next year, and will buy three new Booing 727 jets to be delivered of every year starting in 195 He also said a decision would be made in June about which wide bodied jet will be chosen to replace Alla's here consideration, he said, the DC-16:30, the Lockhest Tristar 500, the Boeing 767 and the Airbus B4 or 310.

18-month old direct Ammu New York route has also prompted Alia to double its frequency to four times week, with a new once-a service from New York, enwards to Houston. The New York route, using Bocing junibo jets, bas registered a very high load factor of over 70 per cent reaching 90 per cent in the high season. The

Ghandour revealed.
Alia's continued strong
Shancial performance will also prompt it to open new routes to Manila and Scoul next year and increase the frequencies of most of its European and Gulf routes It also plans to be the first Arab Airline to fly to South

MATIONA

Surprise deficit for SA furniture manufacturers

JOHANNESBURG - Increas- operations reduced further. It ing uncertainty over the term future of South Africa's can obtain adequate funds to

October 31. In its financial year to June 30. 1978. Steelbrite reported a total operating loss of R747,000 (\$858,000). For the current change since November 17 year, management saw little while management discussed prospect of improvement in proposals for returning the comtrading conditions.

Because of intense competition,, underutilised capacity at the company's factories and increasingly uncertain prospects for the residential building seccurrent year to June 30, 1979. in view of the drastic action ability, part of its assets are, to be realised and the scale of its

recession hit building industry see out the recession from has been underlined by the sur-usual commercial bank sources. prise announcement of a and the onus of ensuring con-R700.000 loss by major kitchen tinuing operations appears to equipment manufacturer, Steel- have fallen n the 63.7 per cent brite, in the four months to controlling company, Johannesburg Consolidated (JCI). Steelbrite, last traded at 47

cents, has been suspended from the Johannesburg Stock Ex-

pany to profitability.

Now JCI has decided that this
can be best achieved by making. Steelbrite a wholly-owned subsidiary and is offering to buy out the 36.3 per cent minorities tor, an expected loss of R2m at 65 cents. Substantial write-is being budgeted for in the offs will be needed of Steelbrite's assets, which will be reflected in JCI's accounts this to return Steelbrite to profit year. But there seems to be no alternative except putting the company into liquidation.

America in the second bail of next year with two routes, to Rio de Janeiro planned via Kano, Lagos, Dakar and

Singapore ends deposit margins

SINGAPORE - The Slock themselves and investors. How-Exchange of Singapore has abolished the mandatory 20 per cent deposit margin which member broking firms must impose on clients trading on a settlement or forward basis, and also reduced the brokerage rate on such contracts . The exchange also said that

its computerised central clearing house would start its trial run on January 2.

market which had already reached a feverish pitch with prices at high levels.

Members of the exchange generally welcome the move

market since then on this old rate. ruling.

offect from yesterday (Monday)... while that on the "Ordinary Board" will come into force on January 2.

The margin ruling was operates two forms of settle announced imposed by the exchange in ment contracts — settlement this year. September to cool the share deals on the "Ordinary Board." The exc where the board lot is 1,000 shares are settled at the end of every month, while those on the Big Board," where the lot is 2,000 shares, are settled at then as a safety measure for the middle of each month.

themselves and investors. How The new brokerage rate for treer, some market sources have all settlements is 1.25 per cent, blamed the decline in the a quarter per cent less than the There will, however, be

The lifting of the margin newly imposed registration and requirement on settlement con-clearing fac of 0.1 per cent on tracts on the Big Board" took settlement contracts.

The plan for the setting up of the clearing house system, an integral part of the exchange's plan to improve the efficiency The exchange currently of the Singapore market, was announced at the beginning of

The exchange said that all exchange members had joined the clearing house, thus implying that the two member firms which had earlier opted to stay out of the scheme have now

Malayawata boosts sales in building industry boom

BY WONG SULONG

leading Malaysian steel manufacturer, by more than 61 per cent, for the first six months ending September.

pioneer status, the company and private must now pay income tax, and programmes. this has reduced its net profits

KUALA LUMPUR - Strong profit is only 24m ringgits. demand for steel lifted pre-tax compared with the tax-free 4.1m profits at Malayawata Berhad, ringgits the comparable period.

The company said sales rose by 27 per cent to 62 4m ringgits ending September. because of strong demand However, with the end of its created by intensive public construction

The same market conditions compared with the comparable are expected to prevail intil, period last year. the end of the year, but the Pre-tax profits of the company company said it is unable to increased from 4.1m ringgits take advantage of the situationto 6.7m ringgits because of its limited produc-

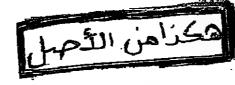
New U.S. branch for Leumi

By L. Daniel

TEL AVIV — Bank Leuml, Israel's oldest and largest bank, has opened its tenth-branch in New York. The branches, which provide full banking services in addition to fostering investments in issue are operated by Leinni's, American subsidiary, Bank Leuni Trust, which in size holds 105th place amongst the 15.090 banks in the U.S. Apart from its ten New York state branches. it has a branch in the Cayman Islands and representative office in Toronto. Leumi's world wide

Barlow Rand Limited is a South African company and the parent of a large group which operates in southern Africa, the United Kingdom and the continent of Europe. Its business is the management, control and development of the group's mining, manufacturing, distributing, property and other interests. The group employs 138,000 people and its shares are listed and quoted on the stock exchanges in Johannesburg, London, Paris, Brussels, Antwerp and Bulawayo.

Copies of the 1378 Annual Financial Statements are available from the London Secretaries, Thos. Barlow (Holdings) Limited, 16 Stratford Place, London, W1N 9AF.



Companies and Markets

CURRENCIES, MONEY and GOLD

Dollar falls in nervous trading

Saturday's OPEC decision to raise crude oil prices by 144 per cent prompted another sharp decline in the U.S. dellar investorday's foreign exchange market. Although a rise was expected, the four-phase increase was considerably larger than was considerably larger than while had been hoped for, and the U.S. firmer currency came under heavy pressure from the opening of trading. In terms of the D-mark, it fell to DM 1.8540 at one point before closing at DM 1.8585,



Steadr

compared with Friday's level of DM 1.8930. The Swiss Franc performed in a similar reshion and touched SwFr 1.6525 during the day before closing at SwFr 1.6565 against the previous close of SwFr 1.68871.

Central bank support throughout the day prevented the dollar from slipping further, eithough at noon in New York, Morgan Guaranty's calculation of its trade weighted average deprecistrade weighted average deprecia-tion showed a weakening to 9,4 per cent from 8.7 per cent. The French, franc. was, also very strong, and finished at FFr 4.2650 against FFr 4.3450, while the Japanese yea, improved to V193.05 from Y195.75.

2.55c from Friday's close. On Bank of England figures, its trade weighted index rose to 63.4 from 63.2, having stood at 53.5 at noon and 63.5 in early dealings. Against the D.mark, the pound eased to DM 3.75 against DM 3.75, while the Swiss franc was also firmer at SwFr. 3.3250 from SwFr 3.3450.

FRANKFURT-The FRANKFURT—The dollar's fixing level of DM 1.8570 yesterday was sharply down from Friday's level of DM 1.8550. The Bundesbank intervened at the fixing by buying about \$48m, its largest support since last February. The OPEC decision to raise oil prices was the main cause of the dollar's decline.

the dollar's decline. 🌤 PARIS—In very active trading the dollar lost ground after the latest oil price increase an-nounced over the weakend. Tonounces over the weskend. To-wards the close of trading, the U.S. unit was quoted at FFr 4.25821 compared with FFr 4.28821 at the start of the day and Friday's level of FFr 4.3450.

AMSTERDAM-The dollar was fixed at FI 2.0050 at yesterday's fixing, compared with FI 2.0540

ZURICE — After opening lower on the OPEC decision, the dollar showed little movement during the morning. Central bank intervention had helped steady the U.S. unit, although the mood of the market has deteriorated somewhat with regard to the dollar. The latter was quoted at SwFr 1.6615, compared with SwFr 1.8610 soon after the start

TORYO As in other financial centres, the main feature of yesterday's market was the effect announced by OPEC over the weekend. The U.S. currency finished at V193.325 compared Japanese yea improved to Y195.75.

Y193.05 from Y195.76.

Sterling opened at \$2.0030 and dipped to \$2.0010 during the afternoon, the dollar's continued decline was arrested slightly sound none During the afternoon, the dollar's continued decline was arrested slightly spanied the pound further up in the spot market accounted for afternoon trading, and it reached \$765m, with forward trading at a high of \$2.0030.20100 before \$169m and swap dealings total-closing at \$2.0050-2.0060, a rise of ling \$747m. with Friday's close of Y195.75

THE	P	OUND S	POT	FORWA	IRD	AGAINST	£
Dec 18	itani. Izito		Clue	Owe mouth	2pa	Three months,	2 p.s.
C.d. \$ Canadian \$ Gaidater Belgian F Danish K Danish K Part, Ma. Span, Fea. Lira Nrwga, K. French Pr. diwediab Kr. You A matria Sela. bwam Fr.		4.92-4.07 88.75-59.40 10.58-10.48 5.72-5.80 88.40-85.20 141.56-741.86 1,672-1,970 10.08-10.15 8.553-8.603 8.71-8.77	2.0030. 2.0480 2.5785 2.7745 4.024-4.634 98.50-63.90 19.594-10.493 92.50-92.90 141.55-141.05 147.2-147.073 19.594-10.56 4.714-3.792 4.654-664 2.724-2.724 3.32-4.38	1.62-0.22c.pm 8.82-0.58c.pm 14_4e.pm 28-18 c.pm 28-18 c.pm 28-18 c.pm 54-21 models 54-15 c.dh 2-4 kro din 5-1 crep pm 5-1 crep pm 5-1 crep pm 4-8-4 http://doi.org/ 10-4 pm 4-8-4 pm 4-8-5 c.pm	2.78 2.23 3.06 -1.44 9.25 -10.66 -6.82 -2.15 2.38 3.86 2.75 12.90 4,41	19;-4; pd pate 1764-629 c. djs.; 1268-638 c. djs.;	-7.97 -2.05 1.98 4.33 3.57
Belgien	rate i	a for conver	ribia franca	Six-month	fortes	' Id dollar 15	 5.1 45e

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7	THE DO	LLAR S	POT AND) F(RWARD	
	Decre					
NG. 18		Close	One month	p.a.	Three months	9.5 0.5
anadat	84.35-84.58	84.36-84.38	0.05-0.08c pm		0.10-0.13c pm	0.5
	2.0070-2,0238		0.27-0.15c pm	1.24	7.01-0.93c pm	1.9
	29.35-29.58	29,35-29,37	5-31 ₂ c pm	1.40	15-17c pm	2.3
anmik.	5.1800-5.2025	5,1850-5.1900	0.90-1.40gradus	-2.41	2.85-4,35oredis	-3.1
/. Ggr.	1.8565-1.8895	1.8575-1.8585	1.25-1.20pt pun		3.62-3.67pf pm	7.7
150Uno	46, 15-46, 40	48,15-46,30	9-16c dia			-70,8
pain	70,60-70,82	70,60-70.66	30-50c dis	-6.16	154-175c du	-9.3
aly	834.10-838. 0	834.10-834.60	2.25-2.75c die		7.00-8,00c dis	-3.7
O/Why		6,0360-5,0370	0.50c pre-per		0.60-0.10c pm	0.2
ranga		4,2575-4,2825	1.00-0.60c pm	2.54	2.90-2.40c pm	2.8
weden	4.3440-4,3700	4,3465-4,3476	0.90-0.70ore pro	1.75	2.50-2.30era mpi	

CURRENCY	RAT	ES	CURRENCY N	NOVEN	MENTS
ecember 15	Special Dressing (Lights	Guropeus dait or Account	December 18	England	Morgen Guaranty changes %
erling S. dollar stadlar dollar stadlar dollar stadlar dollar stadlar dollar stadlar s	8.646336 1.28839 1.51342 17.7622 31.4265 4.75214 2.42634 2.42634 2.52792 5.57619 1083.85 250.108 6.54663 91.2764	0.66/047 1.32674 1.32677 18.3990 39.8155 7.03864 2.51530 2.77558 5.78584 1124.89 268,079 6,78750 6,78750	Sterling U.S. dollar Canadian dollar Austrian schilling Belgian franc Danah krone Deutsche Mark Swiss franc Guider Franc Guider Franc Lire Yen Based on trade woig	8.342 83 37 79.07 146.21 117.52 149.53 196.82 124.50 36.48 54.39 149.61	~80.6 - 9.4 - 18.2 + 19.4 + 14.7 + 6.5 + 41.5 + 20.6 - 5.8 - 49.9 + 47.7

regulies Person		1		Note Jintes
	1.968-1.972	981.30-983.30	Austria	27-2B
ustralia Dullarent		0.8708-0.8733		5934-611
inland Markka	7.9525-7.9750		Denmark	10.40-10.50
razii (iruzéim	40.50-41.50	20.20-20.70	France	8,55-8.65
reck Drachman	72.013-73,779	\$5.90-36.8Q	Gernuny	3.70-3.80
ong Krog Dollar.	9.6000-9.6200	4.7830-4.7860	Italy	1630-1700
war Mal			Japan	385-395
uwait Dinar (KD)	0.541-0.561	0.27255-0.27266	Netherlands	4.00-4.10
usembairs France	58,80-59,90	29.33-29.37	Norway	10.06-10.20
alaysia Dollar	4.3500-4.3650	2,1750-2,1770	Portugal	88-98
ow Zeeland Dollar	1.6865-1.6935	0.9407-0.9440	Spein	143-147
		3.3375-3.3400	Switzerland	3.30-3.40
unli Arabis Riyal. Ituapore Dollar	6.65-6.75	3.3875-3.3400	Switzerland	3.30-3.40 2.0025-2.01

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Dec. 18	Found Sterning	L.S. Moraus	Destrument	datation l'es	Pintlet Fretze	awas Presie	Dutch Gunder	Harlan Lim	Cupum About	alto agai a'faithe
Pound Maritag C.H. Ooslar	.0,499	2.006	4.750 1.860	587.5 193.2	8.545 4.261	3.425 1.658	4.030 2.009	1673. 834.0	2 374 1.1 94	58.85 29.34
Despete diart Japanese Yen 1,800	0.268	0.688- 5;176	9.036	103.9 1000	#.291 12.05	0.891 8.581	1.080 10.40	448.4 4516.	0.636 6.126	15.78 151.9
Sweet Franc 10	1.170 0.301	2,347 0,608	4.365	483.5	1d. - 2:5 1 0	3.891	4.716 1.212	1957 503.0	2.778 0.714	68.87 17.70
Things trusteer Legica Line 1,000	0.848 0.698	0.498 1.199	0.936	96 15 251.7 :	2.120 5,109	0.825 1,988	2 410	415.0 1000.	0,589 1.419	14 60 a5,19
Caradian Dollar	0.491	0.845	1.571	165 9 658 5	8,599 14,59	1.401	1.698	704.5 2542	1.	24.79 100.

EURO-CURRENCY INTEREST RATES

		3 S	·	•					
,	Dec. 18 Sterling	U.S. Dollar Ug(lar	Dutch Gulider	tiwiss Franc	West Cigrush Mark	Francis Prans	Jinhan Lera	Asian S	Jajanese Yen
	Pinter beam 1134-118 T days' nestes 1119-114 Tipe mouth 1854-124 Tipe mouth 1854-184 dix mouths 1118-1854-1878	97g-1013 714 812 - 107g-1114 1912-1014 113-1114 106g-11	10-104 10-1014 97s-107s 97s-101s 98s-95s	# 2 2 3 3 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4	5 1 5 1 5 1 5 1 5 1 5 1 5 1 5 1 5 1 5 1	61g-63g 61g 71g 83g-9 9-91g 91g-91g	11-14 13-15 14-15-15-15 15-14-16-14 15-14-16-14	1012-1014 1012-1115 1114-1136 1218-1214	-1:0:10 -1:0:10 1:0:112 1:0:20 25:23 25:33

The following nominal rates were quoted for London solier certificates of disposit: one month 10.80-11.90 per cent: three months 11.50-1
mentia: 11.35-11.55, per cent; one year 11.50-11.60 per cent: three years 10-10s per cent: four years 10-10s, per cent: five years 10-10s, continues the continues are cell for starting, U.S. dellars and Canadian dellars: two-day call for guiders and Swies france. Asset rates in Singapore.

INTERNATIONAL MONEY MARKET

European rates steady

AMSTENDAM — Call money HONG KONG — The money intervened to inject funds by was quoted at 11.11 per cent, market was light with call money way of overnight repurchase compared with 103-113 per cent at 9 per cent, and overnight at orders as later rates rose to 10 on Friday. One-month rose to 84 per cent.

Short-term interest rates showed little change in Europe yesterday. Day-to-day money was slightly firmer in places but fixed period interest rates were alightly firmer in places but fixed period interest rates were and six-month at 9\cdot 10\cdot per cent.

FRANKFURT — Call money rose slightly to 3.463.55 per cent, while one-month, three-month and six-month at 6\cdot 6\cdot per cent, while one-month, three-month and six-month at 6\cdot 6\cdot per cent.

BRUSSELS — Deposit rates to 8\cdot per cent.

BRUSSELS — Deposit rates

UK MONEY MARKET

Moderate assistance

Lending Rate 12½ per cent
(since November 9, 1978)

Day-to-day credit may have been in slightly short supply in the London money market yesterday, but the amount of assistance given by the authorities was probably a little overdone. They bought a moderate number of Treasury bells from the discount a fairly large pre-Christmas rise per cent, but fell to 11½-11½ per cent, on expectations of a fairly large pre-Christmas rise per cent, but fell to 10½-11 per cent, and eased to 11½-11½ per cent, on expectations of a fairly large pre-Christmas rise per cent, but fell to 10½-11 per cent, and eased to 11½-11½ per cent, on expectations of a fairly large pre-Christmas rise per cent, but fell to 10½-11 per cent in the afternoon, before payment was made of the large elected to carry over sumples

houses, and tranks are now in the rote disculation, and recent to the afternoon, expected to carry over sumplus payment was made of the large unlosing at 111-12 per cent.

LONDON MONEY RATES

	_		-									4
1,	Dec. 16	Storling Certificate on deposit	luterbank	Local Authority deposits	Lucal Auth. negotiable honds	Pinance House Deposits	Company Deputts	Discourt market deposis	Treasury Rilling	Stigtble Bank Billse	FineTrade Billeg	
Agents of the Santonian of	days notice days retice days or days sotice Das menth two months Three menths Six Musths Ning months	12/6-11/2 12/6-11/2 12/6-12/6 12/6-12/6 12/6-12/6	1012-12 1112-12 12-12-13 12-12-13 12-13-13 1213-13-13 1173-13-15	12 2-12 5 117g-12 5 117g-12 1g	181g-181g 181g-181g 121g-121g 111g-1214 113g-12	1214 1215 1215 1216 1218 1218 1218	123 ₆ 123 ₆ 123 ₆ 123 ₆	104-111 ₈ 1114-111 ₈ 1113 ₄ 1113 ₄	= -		1214 1234 1232 1232	
- 19	Pina maine		15	12.124	. – :	_			· · —		1	

Local authority and finance houses seven days' notice, others seven days' fixed. *Long-term local authority increases nominally three years 122-122 per cent; four years 122-122 per cent; the years 122-123 per cent; blank bill rates in table are buying rates for prime paper. Buying rates for tour-month bank bills 125 per cent.

Approximate selling rates for one-month Treasury bills 11% per cent and one-month 11% per cent three bronths 11%-11% per cent. Approximate selling rate for one-month bank bills 11% per cent. We menth 11% per cent two-month 11% per cent two-month 11% per cent two-month 11% per cent two-month 12% per cent. The per cent two-month 12% per cent. Finance House Sace Retes (published by the Finance Houses Association) 172 per cent from December Clearing Bank Deposit Rates for small sums at seven days' notice 10 per cent. Clearing Early Rese Rates for 172 per cent. Treasury Bills: Average tender rates of discount 11.5788 per cent.

GOLD Sharp

Gold rose \$51 to close \$212}-Gold rose \$51 to close \$312; \$213\frac{1}{2}\$ in fairly active trading. It opened at \$2113,212\frac{1}{2}\$, influenced by the weakness of the dollar, and was fixed at \$212,20 in the morning and \$212,90 in the after-noon. The highest level touched was \$214,214\frac{1}{2}\$. In Paris the 12\frac{1}{2}\$ kilo bar was fixed at Fy29,400 per kilo

	20ge. 18	12ge- 10
Gold Bullion is ther		
Cloud	49191.918J	82962-2671
Opening	52115-215	\$2047-285 ₀
Morning fixing	52 12.20 (£105.704)	\$205.88 (£783.786)
Afternoon fixing	\$212.30	\$295.60 H£186.865)
Gold Coins	(£196.979)	 [22.100.300]
dumestically		
Krughtrand	(ET12-118)	\$2181-2201 (£1101-1111)
	\$647-621	8021-841
Old Severelgus	(62 * 25 †)	868-81 (8814-824)
-	(C1(1-21))	(429] -362)
Gold Coine		
Krugetrand	1215-311 (8158) 178)	8211-215 (£1064-1074)
	\$26-28 \$26-28	\$541-591
Old Sovereigns		(2274-201) GGB-61
	C80: 31/1	(4287-503)
\$30 Kagles	5290-296 5 169-164	4285-256 \$155-160
\$10 Bagies		\$166-111
(9914.69 00- 6	mace) o	heregen

(\$214.63 per ounce) compared with Fr29,500 (\$214.00) in the morning, and Fr29,050 (\$207.47) on Friday afternoon. In Frankfurt the 124 kilo bar

was fixed at DM12,720 per kilo (\$212,71 per ounce) compared with DM12,555 (\$206.06) pre-

MONEY RATES	
Prime Rate	11,5 9,875 9,06 9,30
PRANCE Discount Rate Overnight One month Three months Six months	3 3.50 4,15 4.15 4.15
GERMANY Discourt Rate Overnight One trounds Three months	9.5 6.76 6.625 6.625

IAPAN

World Value of the Pound

for the pound against various

The table below gives the those of foreign currencies to latest available rates of exchange which they are tied.

Exchange in the UK and most on December 18, 1978, of the countries listed is officially in some cases rates are nominal.

Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market an authorised dealer.

rates have been calculated from : Abbreviations: (S) member of

rate; (F) free rate; (T) tourist rate; (n.c.) non-commercial rate; (n.a.) not available; (A) approximate rate no direct quotation available; (sg) selling rate; (bg) buying rate; (nom.) nominal;

the sterling area other than (P) based on U.S. dollar parities Scheduled Territories; (k) and going sterling dollar rate; Scheduled Territory; (o) official (Bk) bankers' rate; (Bas) basic rate; (F) free rate; (T) tourist convertible rate;

financial rate.

Sharp fluctuations have been seen lately in the foreign exchange market. Rates in the buying rate; (nom.) nominal; table below are not in all cases (exC) exchange certificate rate; closing rates on the dates shown.

Place and Local Unit	L Starling	Place and Local Unit	Value of	Place and Local Unit	Value of £ Sterling	Piace and Local Unit	Value of £ Sterling
Afghanistan Atghaut	78.00	Palkiand Is. Falkiand Is E		Macao Pateca	10.572	St. Christo-	
Athenia Lak	10.2730			Madeira Portug'sallecude	62.70	pher S E. t'artbrean 5	5.4120
	:	Fare Is Danish Krone	10.40	Malagast Kin MG France	42714	Nt. He ema St. Helena £	1:0
Algera Danar	7.0760	FüllsPul 5	1.6566 7.979	Malawi (S) Kwacha	1.6278	N. Luris E. tarsbhean S	5.4120
Amion French Franc	- 8 545 141.06	France France France	8.646	Malaysia (St., Ringgit	4.5675	M. Pierre C. F. A. France	427 Lq
Amgola huana	No.	Fr.Clem M. C.F.A. France	42714	Maidive (s.id) Mai Rupes Mail Rp Mail Franc	7.882 854.5	St.VincentiSi E. Caribbean S Savador Bl., Colon	E ODEO
Antigualby If, Carribean S	5.4128	Pr.frimana Loral France	1.545	Maita (2) Maliese £	b 188	Sanual App. L.S. S	5.6250 2-0055
Argentine Ar. Pess Free M		Pr. Par. Is, C.F.P. Franc	155.56	Martinique Local Prano	8 545	San Marano, Italian Line	1.67212
Australia (St Australia) S	1.7498			Mauritania Ouguiya ; Mauritius (6), M. Rupee	87.961 12.119	San Tonic Pgsc. Escudo Sandi Arabia . Nyai	92.70 1.70
Austra briting	27.275	Gabon C.P.A. Franc	42714	Mexico Mexican Peso	45.6¥	Denegal L.F. 3. France	42714
Assets Portug. Escurio	\$2.78	Gambes (*) Dalasi.	4.9085	Miquelon, O.R.A. Franc	42714	Seveluelles S. Ruper	15.33
		Germant Ustmark	8,75	Monsco French Prane	8.545	SierreLe'ne is Leine	2.0342
Behamas 200, Ha. Ladlar	2.0055	P		Mongotia Tugrik Monserrat., H. Carribean S	(On.b772(1) 5 4 120	Singapuse (St. Singapore 5 Solomonis.(S) Solomon is, 5	4,5295 1,7614
Bengladeology Taka Bejmala (bi, Dinar	30.39°-20 0.779	West Deutsche Mari		Morneco Dirham	7.85(>=2)	Somati Reje Som Shilling	(A 12.62
Baleack: felen, Stat. Percin	141,60	Glama (St, Ceda	5.45(ag)	Muzzinique . Moz. Karado	65.1136	Still. Atrica(5) Rand	1.74561
Intladento Enrique 519	4.911	Gibrelter (Kr. Gibrelter £	1.00			S. W. Atrican	1
	- litte 56.85	figher is Aust. Dollar	1.7450	1		Territories (S) S. A Rand	1.74851
leigium R. Prane	em.60.65	fereere Drachine	72.8925	Mauru Is Aust. Dollar	1 1.7490	himin l'eseta	141.60
Settre K F	4.011	Greenland Danish Kroner	10.48 6.4126	Nepal Nepalete Rupes	24.085	Span, jorts in	
Senio	42712	(amishinge Local Franc	8.545	Netherlands, Guilder	4.03	North Airlin, Penela 217 Lanks 12 12, Ja Ritten	141.80 41.0205 Age
Serious States	2.0855	Guana	2.0055	Neth. Ant'les. Antillian Guild.	8.5898	Sudan Rp Sudan P	A 8.8022
Shutan Indan Kupep Kelitia Heletpus Frequ	16.08:°E)	final appete, Quel cal	2,9655	New Hebrites France Aust. Dollar	168. 10 1	Surman, S. Guller	3.5898
International Page	48.11 1,4605	fastines Hep., Sity	89.171	Aust, Dollar	1.7490	Swartment (b) Linngent	1.74851
Betril Universe 22	47.00	Gumen Blesau	33.12B	N. Zealand (S) N.Z. Dellar	1.8909	Sweden S. Krona	8.7175
deVirginius, U.S. 6	2.0056	Guyana 151 Guyanase S	6,114	Nicaragua Cordoba	14.11	buitzerland swim bring	8.8260
Brunestan Bruttet S	4,5285			Niger Rp U.F.A. Prano Nigeria (S), Naira	427 (a 1,26732(ag)	Syria Syria E	A-7.8716
Balgara les	1.6875	Haiti Guarde	10.027	Norway Nrwg. Krone	10.10	Market at a	
Burne Krut	13,4912	Hunduras Rep Lempura	4.0368	The said and the said in the said		Talwan New Talsan	(P 72.18
mauni, Burandi Franc	175.676	Houghouges, H.K. \$	9.61	O Bullion		Tanzania (S.), Tan. Shilling	14.98
_		Hungary Forint	(com) 72.88	Oman Sultan-) Bial Omani	8.695	Thailand Baid Togo Ro C.P.A. France	59.8775 mg
Samero'n Rp C.F.A. Franc	42714	samples, a	(T)(nc)\$8.55	808 OF (51)		Tongs Is. (S.) Palatus	1.77614
anada l'aun-tieu s	2_3748			1		Tricking (2.), Trin. & Lougo	4.618
mary Isle Stutit-la Pasera	141.68	Iceland St. Krim	\$37.5	Pakistan Plest. Rupes	18,0025/4g)	Tunisia Furusian Dings	0.794 aug
impe Venti I. Cape V., Emessio : Ingrano Insis Cax., Is., \$		larin (St Ital, Ruyee	16.05(14)	Panama Balbus	2.0055	Turkes Turkish Lim	(50), 10
ant. At. Rp. 1 .F. A. France	1.6712 42714	Independent Lines	1,254	Papun N.U.(3) Kina	1,5860	Turks & Cam Lan. 8	2.9655
Chart C.F. V. France	427:4	Iren	150.5 5659	Peragusy Guarant	250.60	Tuvaiu Australian S	1.7490
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Foreign exchange. We deliver. Competitively. Test us.



Midland Bank International



THE JAPAN DEVELOPMENT BANK

A Government Financial Institution

Supplying long-term funds for the promotion of primarily urban, regional and industrial development in Japan.

Total Assets: US\$19,261 Million

(as of March 31, 1978)

Head Office:
London Office:
Frankfurt Office:
Frankfurt Office:
New York Office:
Washington Office:
Washingt

THE STOCKHOLDERS INVESTMENT TRUST LIMITED

Managers-JOHN GOVETT & CO. LIMITED FIVE-YEAR SUMMARY OF CONSOLIDATED RESULTS

Year ended			inc. Investme	
31st October	Earnings	Dividend	Currency Premi	
1974	р 1.64	p 1.375	59.6	
1975	1.83 ·	1.45	91.5	
1976	1.73	1.65	51.9	
1977	2.19	2.05	122.6 ·	
1978	2,74	2.35	128.6	
U.K. 59 % No	net resour orth Americ	ces £62,740. a 27% E	980 Isewbere 14%	

Points from the Annual Report

-During the year the net assets increased from 123p per share to 129p per share. Net assets, total income and earnings per share were all at record levels this year. The board recommends dividends totalling 2.35p, compared with 2.05p

-As mentioned in the interim statement, the board is restoring a greater overseas content to the portfolio and, at the year end, the U.K. proportion was down from 64% to 59%. -We look for an improvement in the relative status of investment trusts (and thus for a fall in the discount) when the effects of the Finance Act. concessions become fully



	Year to 31s	t August
	1978	1977
		Restated
•	£000s	£000s
Turnover	20,218	15,258
Profit before tax	3,081	1,269
Extraordinary items		105
Retained profit	1,356	734
Dividends per share (actual)	0.663p	0.594p
Earnings per share	3.96p	2.45p

* Dominant II range of bodywork accepted as

market leader. * Plans for expansion of Duple Coachbuilders include a new Service Centre at Glasgow. * Engineering Division has had satisfactory year.

* Board looks forward to a period of continued growth in profits.

Copies of Report and Accounts are available from the Secretary, Duple International Limited, Vicarage Lane, Blackpool, Lancs. FY4 4EN,

Early Dow 16 fall on OPEC price rise

: INVESTMENT DOLLAR PREMIUM

\$2,60 to £1 75% (77%)
Effective \$2,0055 35% (34%)
THE WEEKEND decision by OPEC nations to raise crude oil prices 14.5 per cent next year sent Wall Street sharply and shortly. broadly lower in a heavy turnover yesterday morning.

The Dow Jones Industrial Closing prices and market reports were not available for this edition.

Average, following a decline of 7 points last Friday, fell 16.20 more to 789.15 at 1 pm. The NYSE All Common Index retracted 99 cents to \$52.32, while declines held a substantial lead over gains in the ratio of about 18 to one. Turnover expanded sharply to 24.60m shares from Friday's 1 pm level of 15.61m. Analysts said the UPEC move will heighten unflationary pressures and increase chances for a recession next year. They added that it raises fears of further credit tightening by the sharply on Friday on take-over early dealings. The Toronto while the Tokyo SE index receded 13.7 to speculation, reacted 1½ to \$9½. It speculation, reacted 1½ to \$9½. It stopped at the composite Index receded 13.7 to receded 2.99 to 445.38.

Composite Index receded 13.7 to receded 2.99 to 445.38.

(a) 1,270.2 at noon, while Oils and is to acquire a soft drink bottling a declined 20.9 to 1,743.0, price increase is expected to have serious effects on Japanese oil further credit tightening by the clined 1½ to \$20%. Last Friday, it 1,057.6, Banks 3.49 to 306.06, importers and the oil refining Analysts said the OPEC move

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to be in a good position technically to absorb the shock and suggested it would stabilise

Airline, Aircraft, Motor, Drug. Glamour and Computer shares were among the issues hardest hit but Golds advanced on higher prices for the metal.

Virginia Electric, the volume leader, were unchanged at \$132. Among other actives. Pan-American World Airways lost 1 to \$61 and UAL 11 to \$291. Boeing fell 23 to \$671, Ford Motor; to \$401, General Motors to \$55 and Xerox 1, to \$51.

Among the few gaining issues, Quanex rose 1 to \$28; on higher fiscal fourth-quarter profits and a stock split. Simplicity Pattern, which rose

sharply on Friday on take-over speculation, reacted 14 to \$92. It

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THE AMERICAN S.E. Market lowing news that Quebec has Value Index was 3.15 weaker at introduced legislation to expro-146.15 at 1 p.m. after volume of printe the company. 2.76m shares (1.61m).

national "A" shed \$1 to \$25, Syntex 12 to \$332 and Amdabi 12 to \$37. Syntex has forecast, better-than-average growth in its

fiscal year ending July 30.
Shenandoah Oil, which is selling some producing properties to Moore McCormack Resources, eased 1 to \$401 in active trading. Moore McCormack, on the New York SE, slipped ! to \$28.

Trading was only moderate, volume coming to 220m shares, down from last Friday's 390m.

The Nikkel-Dow Jones Average, heavily dealings. The Toronto Composite Index receded 13.7 to 1,270.2 at noon

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Weverheet er. ... White Con. Ind. White Con. Ind. Wintern Co..... Wintern Co.....

BP Canada, the most active Volume leader Resorts Inter- Industrial, shed 1 to C\$19? on 40,840 shares in Toronto.

Tokyo

Stock prices suffered a further setback across a broad front as investors expressed concern over the larger-than-expected OPEC four-stage 14.5 per cent oil price increase, but some issues were showing signs of recovery

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He added that "the announcement that the U.S. and China will didn't have a strong impact on Bozel, Lyo Monday's Tokyo market because Europe 1. it's too early to guess what effects it wil have on the Japanese

economy." Petroleums and Blue Chips led the market lower, while export-related issues such as light and Electricals Machinery Manufacturers, de-clined, partly on the dollar's fall on the Tokyo foreign exchange market.

However, some medium-size Blue Chips, such as Mitsukoshi and Takeda Pharmaceutical, gained ground, along with speculative issues such as Heiwa Real Estate, Mitsumi Electric, Central Glass and Nissan Nohrin.

TDK Electronics lost Y40 to Y1.800. Matsushita Electric Y9 to Y706, Casio Y13 to Y885 and Komatsu Y6 to Y386.

Germany

Weaker across the board, depressed by the OPEC oil price rise decision, renewed weakness of the dollar and the breakdown of talks between the German metal trade union and steel employers. The Commerzbank index closed 8.6 lower at 812.6.

andex closed 8.6 lower at 512.6.

Among Motors, Volkswagen declined DM 4.60 and Daimler Benz DM 3.50, while Electricals had Siemens down DM 3.60, Deutsche Bank receded DM 4 and Dresdner Bank DM 3.10, while elsewhere, MAN lost DM 5.50 and KHD DM 4.

Public Authority Bonds registered fresh falls extending to 50 pfennigs. The Regulating Authorities bought a nominal DM 10.4m of paper, compared with DM 4.3m purchases on Friday. Mark Foreign Loans, however, were steady.

Paris

by the size of the OPEC oil price reals.

Federal Reserve both to defend announced agreement with Utilities 2.52 to 193.25 and Papers the dollar and combat inflation.

Analysis, bowever, also commented that the market appeared to be in a good position tech-

Citroen, Bouygues, Borel, Michelin, Saunier-Duval, Perrier, BIC, Galeries Lafayette, LMT. normalise diplomatic relations BIC, Galeries Lafayette, LMT, was really hig news. However, it Française de Ramnage, Nobel-Bozel, Lyonnaise des Eaux and

Among the few gaining issues were CIC, La Henin, Generale de Fonderie and Saone.

Australia

Markets remained easierinclined yesterday, further un-settled by the higher-than-expected OPEC crude oil price increase, which stock market traders fear will destabilise currencies once again and lead to more inflation.

BHP fell 25 cents to A\$8.60; also adversely affected by talk that Esso-BHP would not be start. ing drilling on the Exmoutir Plateau after all because the rig was not available.

Oil issues were mainly depressed, with Woodside reced ing 4 cents to 65 cents following weekend speculation that it might have to approach shareholders for more cash. Beach Petroleum lost 5 cents to 59 cents and Crusader 3 cents to 60

On the currency fears, however, some traders took up hedge ing the relisted Poscidon, which closed 7 cents higher at 80 cents compared with its returning opening price last week of 65 cents. Gold leader Central Norseman moved ahead 40 cents. to A\$12.50.

Coals firmed on the oil price news on thoughts that this could lead to a stronger demand tor steaming coal in the future, with gains of 5 cents being recorded by Thiess, Utah and Howard Smith.

Diamond exploration issues lost ground following an announcement by Sibeka, a Belgian partner in the Ashton Widespread Josses occurred in its 7 per cent interest. CRA fairly active trading, investor retreated 10 cents to AS3.45 and confidence having been supped Ashten Mining 9 cents to S8-

and/or scrip issue. c Per share. f France.
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• DM 50 denom, unless otherwise stated, yields based on net dividends plus tax.

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• SwFr 300 denom, and Bearer shares unless otherwise stated.

• Y30 denom, unless otherwise stated of suspension a Florius.

• Schillings.

• Conts. d Dividend after pending rights

Indices

NEW YORK -DOW JONES

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c Conts. d Divid	end after pending right	s increased.			1 1/D/13, 17 Paris Bourse	THE 14 CONTINUES	Columbia Fig.
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	Dec. 18 Age All (Mr.40) Alfa Leval (Kr.50) Alfa (Kr.50) Atas Coppo (Kr.50	201 140 80	-1 +1 -2	2000	2.5 3.5 6.3
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	Dec. 18 Aga AB; Kr-40; Alfa Lava; Kr-50; Alfa Kr-50; Abas Copo; Kr-20; Billerud Botos.	201 140 80 - 111 44.8 112 175	-1 +1 +1.5	A 2000	2.5 3.5 6.3 5.4 5.6
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Withdraw fish port aid, Silkin urged

BY RICHARD MOONEY

Minister, to withdraw the £180,000 grant offered to trawler owners at the port to help them to meet escalating dock charges.

The Fleetwood Vessels Owners' Association, announced on Friday that it was going into on Friday that it was going into liquidation in spite of the promise of state; sid: The Association which bandles the landing and marketing of fish at the port, had asked for direct aid to cover losses this winter, estimated at £150,000.

The Ministry responded with a promise of a £1.2m grant to boat owners using the ports of Fleetwood, Hull and Grimsby to cover the increased charges. Fleetwood's share of £180,000 would go to owners who are also shareholders in the Association, so it should have been possible to arrange for the money to be used to keep dockside services going. Ministry officials said.

Fleetwood district secretary of sions have yet been held.

A UNION official whose mem- the Transport and General bers' jobs are threatened at the Workers' Union, which repre-Lancashire port of Fleetwood sents 138 dockside workers at has asked Mr. John Silkin, the Agriculture and Fisheries the owners' decision to wind up Minister, to withdraw the second as "diabolical." "They have pocketed the money and run away," he declared. "I have asked the Minister to withdraw his offer."
Mr. Davies charged the

owners with trying to evade their responsibilities. "They are holding a gun to the com-munity's head," he said. Union attempts to persuade the vessel owners to keep the Association in operation have now been abandoned but the doekers are not giving up their jobs without a fight.

"My members are pledged to carry on unloading fish," Mr. Davies stated. "Over 2,500 people in the town of Ficetwood depend on the fishing industry, directly or indirectly, for their livelihood.".

Some merchants and trans porters have expressed their willingness to join in a scheme to take over the Association's Mr. Alf Davies, Blackpool and functions but no formal discus-

Green franc change sought

Commission proposals for a their respective. freeze on Community farm sup- years.

for early introduction of a 3.6 per cent devaluation of its "green franc," the artificial exchange rate used to convert EEC common prices into national currency. It is effective next Monday on all farm prod. Agriculture Ministers.
ducts except cereals on which The French are pressing hard
the new rate would come into for a firm commitment to
effect at the start of the market-phasing out MCAs, once the ing year in August.

The devaluation would bring a cut of four percentage points

1979 commodity marketing

BRUSSETS — France and "green lira" devaluation of 5 Italy have begun pressing for per cent, effective immediately rises in their national farm on livestock products, and on prices in anticipation of EEC other products at the start of marketing

The most important issue on At this week's farm council the agenda for this week's meeting here. France is council—the introduction of the believed to be seeking approval new European Currency Unit (ECU) for the Common Agricultural Policy—is not expected to get under way until today. Economic and finance ministers touched briefly on the issue yesterday, before referring it to

new European Monetary System EMS) is fully in operation, and want a timetable agreed as soon in the French MCA, currently as possible. They feel the 10.6 per cent. The cut was approved at last costly and in any case does year's farm price review for more for German farmers than introduction at the start of the French ones. French ones.

Denmark, meanwhile, has

strong recervations about the Last week Italy requested a use of the ECU in agriculture.

Ban on cotton exports angers merchants Holiday egg

THE PAKISTAN Government's creates," wrote Mr. A. K. J. mills had adequate supplies at ban on exports of raw cotton McBride, chairman of the Asso-reasonable prices. has enraged European merchants who have telexed a flerce rebuke to the Minister of Commerce and the chairman of the Pakistan Cotton Expert

"Perhaps you have not been advised of the calamitous con-sequences and the fearsome legal repercuesions that this announcement (of the ban)

ban on exports of raw cotton McBride, chairman of the Association of Cotton Merchants in Europe.

"We earnestly request you to reconsider your decision and to make an urgent announcement that existing contractual obligations will be properly performed and excluded from the export embargo." contractual

Mr Mian Zahld Safraz, Commerce Minister, announced at the same time that this season's cotton crop would yield only 2.8m bales compared with original estimates of 3.6m.

Prices on the local market the export embargo." have gone up 25 per cent
The decision to ban exports recently and the export embargo was taken last week. It aimed to was planned to keep them in ensure that Pakistan's own thank

World wheat crop likely to top record 434m tons

BY CHRISTOPHER PARKES

WORLD WHEAT production this season is expected to top 434.3m tons, surpassing the previous record crop of 1976 hy almost 17m tons and exceeding by 1-43m tons the International Wheat Council's earlier estimate which was issued on

In it sassessment of the pros pects for the coming year the council suggests end-of-year stocks in the five main export-ing countries will be 58.2m tons compared with 54m tons at the end of the 1977-78 campaign. Total world stocks, excluding

China and the USSR should be 83m tons compared with 81m. Expected world trade in wheat is unchanged at 69.5m tons. But while Pakistan and Vietnam will be buying more than was forecast earlier, import requirements in the USSR, Iran and Bangladesh are expected to fall.

The council puts Australian production at 14.3m tons, up from its last assessment of 11.5 m tons and even higher than the 13.8m-ton forecast put out by the Australian Bureau of Agricultural Economics.

crop, which includes durum Liverpool, Britain's biggest wheat is estimated at 47.2m importer and only refiner of tons compared with the earlier sperm whale oil, yesterday figure of 46.8m Official estimate received sackloads of protest of the Argentine crop is 6.9m compared with 5.2m tons last a halt to British imports of this

World production of coarse grains is also expected to ing in Tokyo of the Inter-reach a record. Output of these national Whaling Commission, cereals, which are used mainly as animal feed and for processing, is forecast at 735m tons compared with the October figure of 720m and output last year of 693m tons.

Changes in earlier forecasts in October, and 7m tons more on the Soviet Union's and a

World trade in coarse grains expected increase in imports by Japan, Taiwan, China, Brazil and East Europe should more than offset an expected decline in imports into West Europe and the USSR.

tons, 1m more than expected output.

include an extra 2m tons on than a year ago. In Brazil, the U.S. coarse grains crop, 5m where some replanting was made necessary by heavy rains, possible fall below last year's outlook is reported to be record output in Argentina if favourable. Production is foretoo many farmers switch to soya cast at 13.5m tons against 9.1m bean production.

World trade in coarse grains Reuter reports from Hong is estimated at 85.9m tons. The Kong that China's northernmost province. Keilungklang, has produced a record grain harvest of more than 15m tons this year despite drought. The New China News Agency said sowing of crops suitable for local climatic World production of soya- and other natural conditions beans forecast at about 84m contributed to the increase in

Christmas protest at whale oil refiners

BY RICHARD MOONEY

The European Community's HIGHGATE AND JOB of group's head office in Liverpool. 'Christmas cards" calling for product.

On the eve of a special meetat which the fate of thousands of North Pacific sperm whales Friends of the Earth conservationist group delivered an esti-mated 15,000 cards to the

Last year Britain imported 14 per cent of world consumption. Mr. A. N. Turpin, the company secretary who received the delegation, said later that a large proportion of the cards

At this week's Tokyo meeting IWC members will discuss North Pacific sperm whale quotas which were held over from the June annual meeting

glut sold for export

THE EFFECTS of the seasonal glut of eggs which will be laid over the Christmas holiday have been partially offset by an ex-port drive led by the National Egg Packers' Association.

It has arranged to dispose of some 100,000 cases—36m eggs—to buyers from outside the Common Market and companies in the egg processing trade in

The association said yesterday it had arranged a stantial " contract with Inter-eggs, the export firm. Egg sales in Britain cus-tomarily slump during Christ-mas. The shops are closed, and family diets temporarily exclude the more commonplace

Hens, however, continue laying eggs, and the usual consequence is a post-holiday glut of supplies which drives prices

Belgians buy Polish copper

By Christopher Bobinski WARSAW - Impermetal, the Polish copper foreign trade organisation yesterday signed a contract to export 7,000 tonnes of electrolytic copper a year to

Belgium. The agreement, which is to run from 1979 to 1982 is with the Société Générale des Minerais and the copper it to be sold at prevailing market prices. This is the first time Belgium will have bought copper in

At the same time a credit for the development of Poland's copper industry was signed between the Bank Nadlowy Warszawie and the Société Générale de Banque. No details of the loan were disclosed. Poland exported 117,919 tonnes of copper in 1977.

Turkeys at 56p a pound FRESH TURKEYS were only

5 per cent dearer than last year when more than 1,000 were on offer at the Christmas turkey sale at Aylsham, Norfolk, yesterday.

appeared to come from small children. "Others were quite obscene," he added. Keenest demand was for smaller birds, between 10 lbs and 12 lbs, which sold for up to 68p a pound and averaged 56p a pound. The bigger birds up to 20 lbs averaged 60p a

'Hidden' costs to Britain of the CAP

BY CHRISTOPHER PARKES

"HIDDEN" costs to Britain of the Common Agri-cultural Policy are revealed in a paper released today by the Centre for European Agricultural Studies at Wye College. In a wide-ranging and closely detailed study Prof. U. Koester of Kiel University tabulates the awful truth about the real import of the annual price-fixing

He shows that for every I per cent increase in the "common" price for butter in the EEC, Britain has to pay an extra 6.8m units of account (about £3m) to its wealthier partners which produce the bulk of Europe's butter. Italy, too, the poorest Community member, is in much the same position. Prof. Koester, applying the

same computations to a 1 per cent rise in the price of wheat, barley, sugar, beef and dairy produce, shows that Britain has to disburse almost £10m. And this payment is matched almost exactly by a net gain for France. West Germany, on the other hand, pays out a mere £200,000 for each 1 per cent increase. "Every price increase for an

interventon product stimulates an additional income transfer between the EEC countries," Prof. Koester writes.

"It is not at all surprising that the UK is more strongly opposed to a price increase for butter than for other products." In his finely-detailed and wide-ranging dissection - or rather dismemberment - Prof. Koester also charts the growth of disillusionment among German farmers and consumers with the workings of the CAP.

The producers are concerned that the recent trend towards marginal increases in prices will become established practice. And they are also vividly aware of the political pressures playing on their livelihoods. A farmer's income is now only

partly dependent on his efficiency. "The effect of political decisions is more and more dominant. Understandably, this creates a feeling of insecurity among farmers," the paper says. food processors

Germany did relatively well out of the CAP in the early days, industrialists now are becoming

increasingly uneasy about the distortions in trade flows caused by the complexities of a puta-tive "common" policy which in prageice has so few truly common " aspects.

Food manufacturers enjoyed something of a profits bonanza when the CAP was launched. Then, in the interests of a "common" price range for farm products. German prices were cut. The savings on raw material costs to the food industry, far from being passed on to the consumers, were absorbed as extra profits for manufacturers and retailers.

But the farm policy is now much more complex and burdened with political and bureaucratic excesses. "German processors realise more and more that the present system of price policy leads to arbitrary commodity flows which are not predictable," Prof. Koester says. "This may endanger file

existence of an industry from time to time." In his search for elements in the policy, the author notes that in the first seven years of this decade the

average annual increase in food prices in Britain was 14.3 per cent. In West Germany it was 4.9 per cent incomes Farmers'

altered in a most erratic fashion and if looked at in isolation show no signs of being the fruits of a "common" policy. Prof. Koester is particularly damning in his views on the operation of monetary compensatory amounts—the means

by which the Community applies levies and subsidies in

bid to operate common trading prices and impose "fair competition" on farm markets. Accepting that the MCAs are nothing more than duties as far as the functioning of the market is concerned, we may state that trade restrictions within the EEC are currently greater than is permitted according to General Agreement on Tariffs and Trade rules," he

says disarmingly. The CAP and our Food, Prof. U. Koester, £1.75 from CEAS, Wye College, Ashford, Kent, (The paper is based on a lecture the professor gave at an EEC Commission sponsored

COMMODITY MARKET REPORTS AND PRICES opened lower their expected. In lete trading the price fell eway to close on the Kerb at £782 after a routine day's activity. Turnoyer 20,975 tonnes. BASE METALS COPPER Lower on the London Metal Backange but trading was in a narrow range with the movement of currencies the main factor influencing the market. Forward metal started at 1783 and slimbed during the morning to 1785.8. Trading for the rest of the day was just underneath this level, and there was no simulus from Comex which

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December 19, 1978.

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LONDON COMMODITY CHARTS

Daily High/Low/Close Charts with 5-, 10- and 20-day Moving Averages

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(U.S. cents per pound). Deily price for boc. 16: 179,10 (179,20). Indicator price: Dec. 18: 15-day average 182,66 (183,24): 22-day, average 183,74

ROBUSTA futures opened £10-£15 lower and during a quiet but steady morning tession volume was small as prices fluctuated in a narrow range. The attenuon was featureless and the market remained buyent throughout to close £5-£12 down on Friday, reported Down Burnham Lambers.

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mellen /	of accou	of ner to	one. C .OB, gil Wheat: rest mil)	OWNERS OF THE PERSON
86.68	rest nil	(85.65, F	rest mil). rest nil). rest nil). 79.36, 4.5	Oats
0.50). =eedin	Meize 19): 78.2	(other 6, rest	than byt ni (78.2 ast nii (Y	rici fo S., rec
radia. I	Millet 64	25. rest	nil, 0.63	fB3.82

London Jan, 233.50, Feb. 194.50, Merch 195.76, Agril-May-June £100.75, Denaturable quality wheat, delivered East Anglia. Jen. £91.00, Feb. £92.50, March £93.50, April-May-June 197.70, Barley, delivered East Anglia. Jen. £94.00, Feb. £95.00, March £96.50, April-May-June £98.76, HGCA—Average ax farm apot prices for week ending December 14: Other Milling Wheet—3.E. \$93.50, East \$9.50, E. Midlands 91.40, N.W. 90.20, Scotland 94.20, U.K. 90.80, Feed Barley—5.E. \$0.50, S.W. 80.30, East 80.80, E. Midlands 80.50, W. Midlands 78.90, N.E. 79.00, N.W. 78.20, Scotland 78.90, U.K. 79.90.

RUBBER

EASIER opening on the London by scal market. Feir interest throughout the day, closing uncartain. Lawis and Peet reported the Malaysian go-down price was 234 (235) cents a kilo buyer. January).							
No. 1 B.X.S.	Yesterday's Circe	Previous Close	Business Done				
eb au-Mar	68.99.97.20 57.80-57.85 67.80-57.85 88.45-80-50	58.45-58.68	14.15-67.70				
s-Sept.	52.75-62.05 64.95-85.00 67 89.67 85	88.50-85.55 88.55-85.50	85.00-62.55 85.56-84.90				

lots of 16 tonnes. Ical Closing prices Spot 66.25p (57.5); Ja Fab. 58.75p (59.26).

SOYABEAN MEAL

	Cicae		Tylene
	Sparoone		
ecomber	125.20.25.0 125.21.23.4	+1.95	22.80 28.50.87.80
(DB	128.7 C-28 .5 124.20-24.6	+0.40	26.80-28.50 24.28
	124,70,25,5	-0.25 -0.55	24.80
sember Sales: 63	722.58-28.0 (54).	-0.16	

Yesterday + ur | Houses

LONDON DAILY E102-00 (serse) a Dac. stiffment. We was fixed at £100 Scattered self-at- an easier from in were stortlived some 100 gains were recorductions turned prices were only a linvels, reported C	hite sugar ().00 (£102.1) best orders istally, but and prica points. Las ded, but it assisr lightly above tightly above tightly above the content of the con	dally price (20). If produce the low s quick ar, furth New You and fine pages in the pages in th
Pret. Kesterday's Comm. Com.	Previous Close	Business
2 pe March = 178.65-19, 10: May 178.50-16, 76' Ang 178.85-19,00	112.40-12.50 116.60-18.65	14.50-12.4 18.90-18.7

Sales: 2-472 (921) lots of 50 tonnes.
Tate and Lyle ex-refinery price for granulated beals white august was £364.85 (atme) a tonne for home trade and £173.00 (same) for export.
International Stepar Agreement (U.S. cante par powed) (b) and stowed Caribbean port. Prices for Dec. 15. Dally 8.17 (8.18); 15-day awarege 7.83 (7.91).
WHITE SUGAR—Close (in order hyres, seller) Seh

WOOL FUTURES

LONDON-The market was dull and Australian Y'stern'yrop tor Grency Wood Close

MEAT/VEGETABLES SMITHFIELD—Pence per pound, Best: Scotch killed aides 56.0 to 59.0, Eire Annoquerters 59.0 to 72.0, forequarters 34.0 to 38.0. Vast: Dutch hinds and ends 38.0 to 100.0

Vest: Durch hinds and ends 38.0 to 100.0.

Lamb: English smell 48.0 to 58.0, medium 48.0 to 52.0, heavy 44.0 to 50.0. Scotsh medium 48.0 to 52.0, heavy 44.0 to 50.0. Imported frozen-NZ YL's 48.0 to 48.0. Port: English, under 100 lbs 35.5 to 47.0, 100-120 lbs 35.5 to 48.0, 120-160 lbs 35.0 to 42.0.

MEAT COMMISSION—Average fatatock prices at representative guarkets on week ending December 15. GB—Cattle 71.67p per kg i.w. (+2.89). Sheep 132.6p per kg st.dw. (+2.89). Sheep 132.6p per kg st.dw. (+2.81). Sheep 132.6p per kg st.dw. (+1.2). England and Wales—Cattle numbers up 27.9 per cent. average price 71.41p (+2.84). Sheep numbers down 9.4 per cent. average price 32.8p (-0.4). Pig numbers up 31.9 per cent, average price 55.8p (+1.2). Scotland—Cattle numbers up 22.5 per cent, average price 72.71p (+2.14). Sheep numbers up 2.9 per cent, average price 58.8p (+1.2). Sheep numbers up 2.5 per cent, average price 58.8p (+1.2). MEAT COMMISSION—Average latavock prices at representative marks as on December 18. GB cattle 70.12p per cent.

MEAT COMMISSION—Average latatock prices at representative markets on December 18. GB cattle 70.12p per kg. l.w. (-2.16). UK sheep 134.5p per kg. sat. d.c.w (+1.1). GB pags 82.7p per kg. l.w. (-3.8). England and Wwise: Cattle numbers down 24.1 per cent. average price 69.55p (-2.02). Sheep numbers down 27.0 per cent, average price 134.1p (+0.3). Pig numbers up 2.7 per cent. average price 52.6p (-3.9). Beotland: Caule numbers up 15.5 per cent. average price 71.77p (-1.01). Sheep numbers down 10.1 per cent, average price 71.77p (-1.01). Sheep numbers down 10.1 per cent, average price 132.9p (+2.5). Pig numbers down 4.9 per cent average price 65.7p (-0.6). down 10.1 per cent, average pices 132.99 (+2.6). Pig numbers down 4.9 per cent, average price 65.7p (-0.6).
COVENT GARDEN—Prices in starling

COVENT GARDEN—Prices in sterling per package except where otherwise stated. Imported Produce: Lamons—tolians. 120's new crop 5.25-5.50; Graek: 5.00-5.50; Cyprus: Trays 4.80-5.20, boxes 80/180's 4.00-6.25;
English Produce: Potetoes—Per 25 kilos 1.50-2.00. Lettucs—Par 12 round 1.50-1.80. Mushrooms—Par pound 0.50-0.55; Apples—Per pound Bramley 0.08-0.12, Cox's Orange Pippin 0.08-0.15, Worcester Parmain 0.04-0.06, Russets 0.82-0.09, Spartan 0.08-0.10. Pears—Par pound Conference 0.08-0.15, Comice 0.14-0.18. Cebbages—Per crate 0.90. Celery—Per head 0.12. Cauliflowers—Per 12's Kent 3.50-4.50. Beatroot—Per 28-lbs 0.80-0.70. Carrots—Per 28-lbs 0.80-0.70. Carrots—Per 28-lbs 0.80-0.90. Parsnips—Per 28-lbs 0.50-0.60. Turnips—Per 28-lbs 0.80-0.90. Parsnips—Per 28-lbs 1.00-1.20. Spreuds—Per pound 0.08-0.07,

PRICE CHANGES

	Dev. 14 1978	+ or	Month ago
Metals Aluminium Free market (c/s): Cupper cash W Bar à months de. de. Cash Cathoriu a months de. de. Janochis de. de. Janochis de. Janochis Janochis Janochis Nickel	\$1.170/80 £768 £764.2b £754 £778.25 £21£.876 £427 £402.26	-8.25 -7.5 -8 -7.75 +5.75 +0.75 -0.6	\$1,90/20 £749.5 £770.75 £738.5 £759.25 \$189-876 £391.5 £388.6
Platinum tror os. Free Market. Quickaliver Silver troy os. 5 months The cash 5 months Tungsten (n) Weitram 22,04 elf Zine cash 3 months. Producers.	£156 £172 #148/55 £98µ \$05.25p £7.020 £6.952.8 £142.53 £142.53 £1355.76 £355.76 £347 £347	-1.9 +1.2 +1.75 -55 -40 -0.75	£142 £165.2 £136;40 307.76µ 515.78p £7,490 £7,390 8141.88 \$140;45 £345 £345 £345 £345
Offs Cornut (Phil) Groundant Linsted Uruda Palm Malayan	\$930» 21.010	1	8840 2330
Seeds Unpre Philip Soyatean (U.S.)	5600p \$286a	+20	2570 8275
Grains Barley Home Fukure Maize Premei No. 3 Am Wheat	C1D6.00		£83.6 £103.8

Coffee Future

12.28.5 -9.0 £1.417

Cotton 'A' Index. 78.95c -0.1 179.5c

Eubber kilo. 56.25p -1.2559.5p

bugur (lixy) £102 -1.0 £106

Woolsops 54s (kilo), 271p -1.0 £74p

* Nominal. † New crop. † Unquotad. # Jan.-March. † Dec.-Jan. ¢ Jan.-Fab. ! Feb. # Jan. # Par ton. # Indicator

INDICES

FINANCIAL TIMES Dec. 15 Dec. 14 Month ago | Year ago 257.76 | 255.39 | 259.24 | 259.22 (Base: July 1, 1952=100) Dec. 18 Dec. 16 Month ago Year ago 1502.5 1506.0 1509.5 1417.0 (Base: September 18, 1931=186)

DOW JONES Dow Dec. Dec. Month Year Jones 16 14 ago ago Srot 385.17.382.82 395.94 353.88 Feture: 381.70 380.54 389.82 324.37 MOODY'S

Moody's Dec. Dec. Month Year Spie Commty 995.6.972.891.87 \$75.8

GRIMSBY FISH—Supply moderate, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £6.00-£7.40. Codlings £3.80-£4.50; large haddock £4.60-£5.80, medium £4.40-£4.90, small £3.80-£4.40; large place £4.90-£5.00, medium £4.90-£0.00 place £4.90-£5.00, inclum £4.90-£0.00 place £5.50; large lamon soles £10.50, medium £8.50; rockfish £2.40-£3.40; seithe £2.00-£3.30.

US Markets

NEW YORK, Dec. 18. Coose—Dac. 174.15 (175.90). March 173.80 (175.50), May 173.46, July 173.50, Sept. 171.70, Dec. 188.50, Merch 188.00. Salas 397. Coffee—"C." Contract: Dec. 134.25-135.00 (138.50), March 128.50-127.00 (127.34), May 125.00-125.50, July 127.50-122.00, Sept. 119.90-120.50, Dec. 10.00-120.00, March 118.00 bid, May 112.44-122.00. Salas: 1.138. Copper—Dec. 68.00 (67.83), Jan.

25.50. August 25.40. Sept. 24.75.24.70. Oct. 24.35-24.30. Dec. 24.00. Jan. 24.00 asked.

Sugar—No. 11: Jan. 8.45 (8.45). March 8.99-9.00 (8.99). May 9.19. July 9.41-9.44. Sept. 9.65. Oct. 9.74. Jan. 9.65-90. March 10.25, May unq. 5Plathum — Jan. 345.00-227.00 (337.40). April 349.00-349.50 (333.60). July 351 50-351.80. Oct. 354.20. Jan. 356.40-356.60. April 368.90-366.90. July 361.20-251.40.

**TWitest—SCWR\$ 13.5 per cent protein conent cft St. Lewrence 187.07 (185.75).

**Withest—Dec. 3734-374 (360%). July 325-2. Sept. 330%. Dec. 341%.

WINNIPEG. Dec. 18. ††Rys—Dec. 96.00 (96.00). May 102.50 baked (102.50). July 103.60 asked. Oct. 701.40. ††Oats—Dec. 90.00 (87.70 bid). March 81.60 (81.00 asked). May 79.50 asked. July 79.00 asked. Oct. 76.70. ††Barley—Dec. 73.80 bid (73.80 bid). March 61.60 (81.00 asked). May 76.60. July 77.20 bid. Oct. 77.20 asked. 55Flaxseed—Dec. 278.00 bid (272.00). May 36.00 asked. Oct. 284.10.

All cents per pound ex-warehouse unless otherwise stated. *\$s per troy ounce lots. † Chicago loose \$a per 100 lbs—Dept. of Ag. prices previous day. Prime steam fob Ny bulk tenk cers. ‡ Cents per 56-lb bushel ten-warehouse. § S.000-bushel lots. § \$s per troy ounce ex-warehouse. ¶ Nsw "B" contract in \$a short ton foliate per foliate per shouse. § Nsw "B" contract in \$a short ton foliate per per 56-lb bushel in store. †† Cents per 58-lb bushel in store. †† Cents per 58-lb bushel in store. †† Cents per 24-lb bushel in store. †† Cents per 58-lb bushel ex-warehouse. § Cents per 56-lb bushel ex-warehouse. § Scents per 56-lb bushel

Butter subsidy

THE CONSUMER subsidy on butter will be reduced by a further 1.5p a pound on January 1. This does not however, automatically signal a parallel increase in shop prices. Retail prices are often distorted by the heavy price cutting campaigns undertaken in many

supermarkets. The new basic rate will be

Dollar weakness major depressant in stock markets Equities resume downturn and 30-share index falls 7.0 to 474.0

Account Dealing Dates

*First Declara- Last Account Dealings tions Dealings Day Nov. 27 Dec. 7 Dec. 8 Dec. 19 Dec. 11 Dec. 28 Dec. 29 Jan. 9 Jan. 2 Jan. 11 Jan. 12 Jan. 23 the traded option market yester-"" New time " dealings may take place from 9.30 am two business days earlier.

The dollar's weakness following news of the 14.5 per cent rise in the OPEC crude oil price to be phased in over the next nine months undermined sentiment vesterday in stock markets, replacing Friday's steadier tendency with a very flat tone indeed. Expectations that Wall Street would be depressed were confirmed with early afternoon reports of sharply lower quotations there after the first few hours' trade.

Recently put off by political uncertainties and concern about the threat of widespread labour disputes in the public sector, potential buyers in London were even less in evidence yesterday. The dollar's demise gave rise to renewed fears of further upward to Press comment before closing pressure on U.S. and UK interest only 2 dearer on balance at 178p. rates which found reflection moderate but widespread falls among Gilt-edged securities.

Storling's relative strength against the dollar led to worries hout reduced overseus earnings which left above-average losses in shares of large exporters and those with big overseas interests. A considerable amount of yester day's initial selling was directed at these companies and although the pressure subsequently faded. little was made by way of a

As measured by the FT Industually all of last Friday's technical rally was surrendered at the fall was extended to 7.1 at 3 p.m. before a close of seven points down on balance at 474.0. the lowest since November 21. The number of bargains marked remained depressingly low at

With the general background -bardly conducive to investment in British Funds, quotations reacted in all sectors of the market. Interest rate fears were particuend where a small after-hours rallying movement finally aborted and left losses extending to 5-16ths. Trade in the longs remained moderate, but losses among the high-coupon issues

A confusing day in the investment currency market in light of the continuing uncertainties about Ireland's decision to join the EMS saw the pramium fluctuate narrowly yesterday and close 1; lower on balance at 75; of pence easier at 149p.

per cent. Yesterday's SE conversion factor was 0.7367 (0.7404). lively trade in EMI in which 120 contracts were completed, the total number of deals done in day improved to 378 from last cheapened a penny to 33p.

Irish Banks better

Suspended for an hour while dealers awaited details of pos-sible trading restrictions which might follow Ireland's decision to join the EMS, trade in the Irish banks was eventually started around 10.30 am although no official statement came. Bank of Ireland moved higher on modest support to close 14 to the good at 407p and Altied Irish closed 5 better at 200p. Elsewhere, home banks drifted lower in thin trading. Lloyds and NatWest both lost 8 to the com-mon level of 27Sp. Among Merchant banks, Hambros touched 185p in early response to Press comment before closing Insurances gave ground in quiet trading and closed with

falls ranging to 10. Breweries drifted lower in an extremely low level of business. Arthur Guinness, at 158p, lost 4 of Friday's gain of 5 which reflected the good results. Profit-taking also clipped 2 and 3 respectively from Bass Charringion, 171p, and Vaux, 128p, after last week's trading statements. Elsewhere, Distillery issues eased

Awaiting developments concerning the possible sale of T. W. Ward's 26.6 per cent stake, Tunnel B encountered a fairly active two-way trade and, after falling to 312p, made steady progress to close unchanged on balance at 324p. Other Building descriptions declined in thin trading. Richard Costain dropped 8 to 232p and Taylor Woodrow 12 to 403p. The Irish decision to join the European Monetary System prompted late interest in Cement Roadstone which put on 6 to 102b. The recently-announced trad-

ing statements prompted fresh interest in James Latham, which added 5 to 132p, and Nottingham Brick, a like amount to the good at a 1978 peak of 335p, but the disappointing interim profits and the chairman's revised thoughts about the full-year nutcome left A. Monk 61 down at 901p. The late announcement that Heywood Williams is setting up a separate operating entity to produce window components for the building industry made no aparent impact and the shares finished a couple

No. 0036C3 of 1978

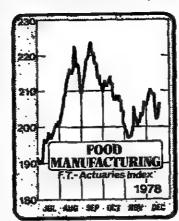
In the RIGH COURT OF JUSTICE
Chancery Division, Companies Court. In
the Matter of BARNETT CHRISTIE
LOMITED and to the Matter of The
Protection of Depositors Act. 1963, and
in the Matter of The Companies Acts.
1943 to 1967.
NOTICE IS HEREBY GIVEN, that a
Perman for the Wadder up of the shore-

Pertion for the Winding up of the above-named Company by the High Court of Justice was on the IIth day of December,

earnings in the wake of an ailing U.S. dollar, ICI eased 5 to 365n. Despite the news that Birmingham and Midland Counties Trust had increased its stake to 16.75 per cent, Bernard Wardle

Stores quietly dull

A business survey stating that consumer spending could be lower than expected this Christmas served to depress leading Stores which drifted lower on small selling and lack of sup-Gussies A finished 4 off at 310p, after 308p, and Marks and Spencer cheapened 3 to 83p, as did House of Fraser, to 134p.



Elsewhere, the absence of bid developments prompted a fall of 6 to 168p in MFI Furniture, but comment helped K. O. Roardman harden e penny to

The Electrical leaders took on the market became vulnerable to scattered offerings. GEC fell away to 327p before rallying a shade to settle at 328p for a fall of 7. Thorn gave up 8 to 356p, while EMI lost 4 to 138p and Plessey 2 to 108p. Electronic issues followed the downward trend, with falls of around 8 marked against Ferranti, 348p, Elsewhere, United Scientific, at 257p, gave up 5 of last Friday's rise of 12 which followed the annual results. Against the trend, Audio Fidelity were favoured at 42p up 2, along with Cray Electronics, a like

amount dearer at 35p. Occasional selling and virtual absence of support left its minimal with most issues tending mark on the Engineering leaders. Rawker were noteworthy for a Associated Engineering lost 3 loss of 8 at 218p, while Tubes more for a three-day fall of 7 at were also on offer and fell a like 112p following the disappointing amount to 3720. John Brown save annual

few pence off at 253p. The suport and fell 5 to 111p. majority, of movements

issues' were also secondary against holders. Against the trend, satisfactory trading statements left-J. and H. B. Jackson. British Steam Specialties, 94p, a penny harder. Buying interest was shown in United Engineering, 3 to the good at 84p, and Ransomes Sims, a like amount dearer at 168p.

Louis C. Edwards rose to 26p before shading to close a net 40 up at 25p on the Gulliver Foods share deal and management conlively balanced trade in Barker and Dobson which touched 151p before settling at 142p, unchanged on balance.

In Hotels and Caterers, the recent flurry of bid activity directed buyers' attention to De Vere which put on 5 to a high for the year of 179p and Routon which firmed 4 to 157p, but adverse Press comment left Queens Hoat Houses 2 cheaper

Metal Box down

Of the quietly dull miscel-laneous Industrial leaders, those aneous industrial leaders, those with the biggest overseas earnings potential mostly bore the brunt of the falls on concern over the weakening dollar. Metal Box old and new lost 10 apiece to 298p and 48p premium respectively, while Beckitt and Colman reacted a like amount to Beecham touched 610p before closing only 3 off at 621p, while Turner and Newall lost 4 to equal its lowest so far this year of 166p following adverse comment. BOC International softened 11 to 661p ahead of tomorrow's preliminary results. Elsewhere, Sotheby's lost 7 to 338p on small selling ahead of the annual results which were expected to be announced after market hours, while Aerosautical and General Instruments receded 5 to 98p on the reduced interim earnings. Booker McConnell shed 6 to 274p and Broken Hill Proprietary declined 15 to 670p. following the interim results and Lawtex added 2 at 80p, after 81p, following favourable comment.

Rank Organisation's recent bid for Leisure Caravans stimulated interest in Joseph Webb which added 14 to a 1978 peak of 194p.

Newspaper/publishing closed at lower levels after a quiet day's trade. Associated eased 4 to 174p, while Daily Mail A 360p, and News International, 270p, both shed 5. Liverpoel Daily Post were also dull and gave up 4 to a year's low of 118p. Leading Properties closed slightly easier on a lack of investment interest, but secondary issues held steady to firm. News of the £13.9m sale of the AMA building in New York lifted

Centrovincial 3 to 89p and the capital shares a like amount to 86p and, in a thin market, Hartley Industrial Trust put on 3 to 33p, after 35p. Country and New Town and London and Provincial Shop Centres added 2 apiece to respective highs for the year of 38p and 150p. Profit-taking left recently firm Percy

Bilton 6 off at 180p.

Helped by the proposed increase in crude oil prices by OPEC, the Oil leaders got of to relatively steady start but eventually succumbed to the gene rally drab and dull conditions. British Petroleum finished 6 lower at 920p and Shell 4 off at 576p. Among secondary issues, Oil Exploration lost 4 to 222p. while slightly disappointing figures for the third quarter lowered Tricentrol 2 to 154p.

Losses were fairly widespread throughout the Taust Sector. Rothschild stood out with a fall of 5 at 200p, while Continental and Industrial eased 4 to 1859 and Great Northern 3 to 95p. Among thinly-traded Textiles, Courtaulds slipped 4 to 118p. Textured Jersey, on the other hand, responded to favourable weekend Press comment and hardened 3 to a 1978 peak of

Very steady Golds

South African Golds responded to the rise in the bullion price, which closed up \$5.75 at \$212.875 an ounce following the OPEC oil price decision and the consequent weakness of the dollar. Rises were exponent through. Rises were common through out the list with the market stimulated by good selective buying, first from Johannesburg, then from Europe and in the latter part of the day from the U.S. The Gold Mines Index rose 3.0 to 133.7 and the ex-premium

index advanced 1.7 to 98.5. Although prices finished slightly beneath their best Vani Reefs rose I to £12 and West Dries were I higher at £201. The steadiness of Golds showed through among South African American were 1 harder at 286p.

Reflecting concern for overseas up 4 to 372p, and GKN closed a Distributors, Harold Perry lacked But in this sector, the feature was De Beers, which, prompted by U.S. buying, rose 4 to 356p.

London Financials by contrast were generally lower, in line with the domestic industrial market, although fails were confined to 3 with Rio Tipto-Zipe at 229p. Charter Consolidated at 138p and Selection Trust at 456p. But Gold-Fields were steady at 178p, influenced by the gold price. The Australian market was

quiet with the exception of Diamond stocks which were depressed after the sale of the Sibeka stake in the Ashton exploration consortium for what the market thought was a rela-Members of the Ashton con-

were Northern Mining registered a fall of 17 to 65p, while Ashton Mining slid down 14 to 62p. Conzinc Riotinto, the consortium leader, moved 10 lower to 260p. There were further falls among Trish - Canadians Ireland's decision to join the European Monetary System, but materialise. Minerals, however, still lost 50 to 230p, while Northgate were 345p for a fall of 15 after touching 340p at one stage. Angle-United lost 6 to 160p.

Plastic film to cost more

PLASTIC FILM prices will rise by 10 per cent early next year, with further rises later, the Packaging and Industrial Films Association said yesterday.
Higher polymer prices in the UK and Europe and increases in other manufacturing costs

Land cost rises

vere blamed.

The cost of agricultural land. in Lincolnshire has risen by 36 per cent during the last 12 months, according to William Brown and Son, Sleaford estate agents, in their annual report.

COLOMBIA MAY JOIN SUGAR PACT Colombia has submitted a

request to join the International

Sugar Agreement next year reports Reuter.

But officials are said to be seeking a higher export quota-than the 70,000 tonnes it was: offered for this year. No decision on Colomba's application to join, or negotiation of its basic export tonnage, vincial Laundries. A put was

is likely before next year.

EQUITY GROUPS

FINANCIAL TIMES STOCK INDICES 66.60 66.73 68.88 69.01 77.52 70.03 70.11 70.24 70.26 79.78 70.11 70.17 474.0 481.0 477.9 480.7 130.7 131.9 133.9 135.5 139.7 133.7 97.4 98.6 100.1 99.5 98.5 96.8 96,7 Gold Mines (Ex-S pur.) 5.95 5.87 Ord. Div. Yield 16.07 18.86 15,92 15.65 15.70 15.42 17.19 mg, Y'ldg(full)... 8.15 6.10 8.27 8.08 8.19 P/R Batao (004) (*)-3,520 3,944 4,170 4,102 4,619 5,407 Deslings marked.... 61.10 60.10 72.22 66.17 67.59 12,641 13,559 14,669 14,864 16,496 10 am 478.0. 11 am 475.1. Noon 476.0. 1 pm 474.1, 2 pm 473.9. 3 pm 473.9. Lettest Index Gr-238 8026. Miles 7.84. Besis 100 Govt. Secs. 15/10/26. Fixed int. 1928. Inclustrial Ord. 17. Mines 12/9/55. Ex-S pm, index started June 1572. SE Activity Juny 1942. HIGHS AND LOWS High | Low Righ | Low 549.2 (14/8/73) 49 4 442.3 43.5 (22(6(15) (36(10/71)

ACTIVE STOCKS

4. 44.		No-		The State of	5 ST 3	11.00
De	homina-	of Cl	osing Cl	ange	978	1978
Stock	tion m	arks ori	ce (p)o	o day	nigh	lew
BP.		0. 9	20		54	720
GEC	25n	8 9	28 -	7-	349	233
ICI	£1 :	8 . 3	65: -	5	21	323
Metal Box "New"	Nei Add.	Ber Stelle	48pm	-19	700m	48pm
Barchays Bank	24	9	A2	R	7.7	296
Grand Met.	50p	7 1	12 -	3 6	21	87
Midland Bank	£1	7 - 3	56	6	190	330
Rank Org.	257	7 2	40	R	70¢	298
Shell Transport	25p	7 5	78	4	92	484
Shell Transport	25p	8 2	52	3	174	2.2
BATs Defd			12		26	581
. Beecham						163
Distillers	que.	6 2	10			166
Rawker Siddeley	23p		18 - 08 -	-	00	
Plessey	DUD .	6 1	US		25 62	87
Tst Houses Forte	25p	6 2	55		702	166
, ""		· 5 (1.77	in Arres		

OPTIONS

DEALING DATES.
Last Last Deal- Declara- Settlenes ings tion ment Dec. 5 Dec. 18 Mar. 8 Mar. 20 Dec. 19 Jan. 8 Mar. 22 Apr. 3 Jan. 9 Jan. 22 Apr. 6 Apr. 18

For rate indications see and of Share Information Service Money was given for the call in London and Northern, Shaw Carpets, Blackman and Conrad, Talbex, English Property, Westland Aircraft, Barker and Dobson, British Land and Pro-

completed in Burmah Oil, while

a double was arranged in Provincial Laundries:

RISES AND FALLS

	Up Down Sax
	British Funds 2 72 4
	Corons, Dom, and
	Foreign Bonds 4 4 68
	Industrials
	Financial and Prop. 65 222 235
	Olla:
	Plantation
	Maries
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LEGAL NOTICES

No. 003715 of 1978

In the HIGH COURT OF JUSTICE Chancery Division Compenies Court. In the Matter of LAGONA BUILDING CONTRACTS LIMITED and in the Matter of the The Companies Act, 1948.

for that nurpose; and a copy of the Petition will be furnished by the undersigned to any craditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same YOUNG JONES HAIR & CO., 2 Sulfolk Lene, Cannon Street, London EC4R OAU, Solicitors for the Petitioner.

NOTE,—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a lim, the name and address of the firm and must be signed by the person or turm, or his or their solicitor (if any) and must be served, or if oosted, must be sent by post in sufficient time to reach the above-named not later than lour o'clock in the afternoon of the 12th day of January 1979.

No. 003987 of 1978
In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of ITAL-SPED LIMITED and in the Matter of The Companies the Matter of ITAL-SPED LIMITED and in the Matter of The Companies Act. 1948.

NOTICE IS HEREBY GIVEN, that a Potition for the Winding up of the above-named Campany by the High Court of Justice was on the 13th day of December 1978, presented to the said Court by CHANNELPORTS FORWARDERS (PTC) LIMITED whose registered office is 20/22. Emerson Street, S.E.1 in Greater London, a creditor, and that the said Potition is directed to be heard before the Court sitting at the Royal Courts of Justice. Strand, London WC2A 21L, on the 22nd day of January 1979, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Company desirous to support or oppose the making of an Order on the said Potition will be lumished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

J E. BARING & CO., 74, Chancery Lane, London WC2A 1AA.

Ref: JAH.

Solicitors for the Petitioners.

NOTE—Any person who intends to

Ref: JAH. for the Petitioners.

NOTE—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the firm and must be signed by the person or tirm, or his or their solicitor (if any) and must be served or, if posted must be sent by sost in sufficient time to reach the above-named not later than low clock in the alternoon of the 19th day of alternoon of the 19th day of

CONTRACTS AND TENDERS

MAJOR SKI FACILITY — UXBRIDGE

TENDERS INVITED FOR TEN YEARS' LEASE

Lodge situated in West London, adjacent to the A40/ M40 intersection at Uxbridge in the Lone Hillingdon. London Borough

This Ski facility is currently full use, and the clientele includes an active local Ski Club membership as well as school parties from Education authorities. interested companies should

apply to the Chief Executive, London Borough of Hillingdon, Civic Centre. Uxbridge, Middlesex, for further details

(Telephone: Uxbridge 50637). January. 1979.

COMPANY NOTICES

NOTICE TO SHIPPERS AND CONSIGNESS INLAND RATES—CHARGES IN ENGLAND, SCOTLAND AND WALES The member lines of the above conferences wish to advise shippers/consineed to date from source, increasing the control of the conference with the advise shippers/considered to date from source, increasing the control of the current between the control of the current shaded transport at shippers/considered review of the conference tariff of inland rates has been made and upward adjustments have been agreed to become effective of the conference tariff of inland rates has been made and upward adjustments have been agreed to become effective of the conference tariff of inland rates has been made and upward adjustments have been greed to become effective of the conference tariff of inland increases in view of the confinence are being forced to been a further collection of rates. May well be increasery Arlantic Container Line G.I.E.

Manchester Liners Ltd. | Joint Golden Cross Line Ltd. | Members Ernst Ross (Westhound only)
CANADIAN ATLANTIC FREIGHT
SECRETARIAT LTD.,
Secretaries.

named Company by the fisch Court of Justice was on the lith day of December, 1976, presented to the sand Court by TEE SECRETARY OF STATE FOR TRADE of 1. Vectoris Street, London, S.W.J. and that the said Petition is directed to be heard before the Court strains at the Royal Courts of Justice, Strand, London, Willas and any creditor or countributory of the said Company desirous to support or oppose the making of an Order on the aid Petition may appear at the time of hearing, in person or by his counsel, for that suppose: and a cupy of the Petition will be furnished by the undersigned to any creditor or countributory of the said Company requiring such copy on payment of the resultation or countributory of the said Company requiring such copy on payment of the resultation.

TREASURY SOLICITOR, Matthew Parker Street.
London, S.W.I.

NOTE. — Any gerson who intends to mposer on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any, and must be served, or, if posted, in the afternoon of the 19th day of January, 1979.

BRASILVEST S.A.

SOCIEDADE DE INVASSIMENTO
O.L. 1491
NOTICE IS HEREBY GIVEN that
the report and accounts of the captioned company, for the period ending
september 30, 1978, are available
to the stockholders at the offices of
Morgan Guaranty Trest Cy of New
York in:
Brussels. 35, avenue des Arts
New York, 15. Broad Spreet, New
York, NY 70015
London, 33, Lombard Spreet, Loadon,
LC.S.

Stockerstrasse 38—CH 8022. DECCA LIMITED NOTICE IS HEREBY GIVEN that the transfer books of the 8% Unsecured Los stock will be deserged to the stock will be deserged to the broad that the stock warrants payable on 31: 1979.

W. L. SPALDING, Secretary, Deca House, 9, Albert Embankment, Landon SET 75%. 421₂ A\$0.50 A\$1.26 155 29 110

OBITUARY

CLASSIFIED ADVERTISEMENT RATES EFFECTIVE FROM 2nd IANUARY, 1979

EFFECTIVE FROM 2ND JAN	IVAKI,	Tali
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ersonal, Gardening	5.00	15.00
tels and Travel	3.00	12.00
k Publishers	_	8.00
Premium positions availab	le	
(Minimum size 40 column c		
£1.50 per single column cm.		
For further details write	to:	
AT 14 JEINST GEOTIO WATER		

Classified Advertisement Manager. Financial Times, 16, Cannon Street, EC4P 4BY.

LONDON TRADED OPTIONS

Option	price	Closing Offer	Yel.	offer	Vol.	offer	Vol.	ciose
BP Com Union Com Union Com Gold Cons Gold Courtaulds GEC GEC GEC GEC GEC GEARD Met.	160 160 180 200 110 130 300 380 360 110	10 8 11 ₂ 21 55 ₂ 11 11 ₄ 32 11 21 ₂ 51 ₃	5	41 19 4 29 15i ₂ 6 15i ₃ 43 43 12 8i ₂	10 21 3 2 10	63 18 8 32 17 10 171 ₆ 71 ₂ 59 27 27	10	930p 144p 178p " 118p 838p
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RECENT ISSUES

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hased on prospectua detamate. R. Assumed devidend and yield. R. Forecast decidend: cover based on provide year's earnings. F Dividend and yield based on prospectus of other official estimates for 1979. 9 Gross. T Figures assumed. Cover allows for conversion of shares not now ranking for dividend or ranking any for restricted dividends. § Pleting price to public. It providends of the same indicated. § Issued by tender. Il Direct to holders of ordinary states as a "rights." "Staud by way of contains \$ \$\text{Shares as containstation. } \$\frac{1}{2}\text{Shares as to former preference holders. } Allotment letters (or fully-paid). • Provisional or partly-paid allotment letters. \(\frac{1}{2}\text{ With Warrants.}\)

FT-ACTUARIES SHARE INDICES

These ladices are the joint compilation of the Financial Times, the lestifiate of Actuaries and the Faculty of Actuaries

Mon., Dec. 18, 1978

Н	PRODUCE & PUR PROTIANE					10.0	17.0	11/2/201			1,57	
	Figures in purentheses show number of stocks per section			Day's Change %	Est. Earnings Yield % (Max.)	Grose Div Yield % (ACT at 33%)	P/E Ratio (Net)	Index- No.	Jedne No.	index No.	Index No.	index No.
li	1	CAPITAL GOODS (172)	232,77	l24.	17.28	5.58	7.98	236-17	235.30	23654	29.65	251.14
II	2	Building Materials (27)	203.34	-11	38.47	4.35	7.45	205.58	294.24	205.15	20916	184.24
ı	3	Contracting, Construction (28)		-17	20.89	4.46	- 6.87	370.21	368.34	372.49	300 30	371.86
Н	4	Electricals (15)	547.66	-1.9	13.69	3.47	10.06	558.19	556.73	93.5	564.97	437.76
П	5	Engineering Contractors (14)	359,89	-3.4	18.11	5.99	7.51	364.96	365.87	366.63	370.56	284.62
Н	6.	Mechanical Engineering(72)	180.85	-13	18.65	6.20	7.16	183.28	157.54	184.11	126.23	256.33
H	8	Metals and Metal Forming(16)	161.03	-0.9	15.97	8.88	8.19	162.47	161.27·	161.99	142.95	156.86
Н		CONSUMER GOODS			1	1			100		3 - 5	È.
Ц	11.	(DURABLE)(53)	207.28	-14	16.99	5.17	7.85	219.18	20236	219.45	Z13.38	184.94
П	12	Lt. Electronics, Radio, TV (16)	259.93	-18	34.34	3.95	9.78	254.78	26463	265 38	269.27	278 5
u	13	Household Goods (12)	167.65	-0.5	18.62	6.81	7.62	168.58	169.06	169.21	171.04	178.32
П	14	Motors and Distributors (25)	121.19	-0.8	21.41	6.95	5.86	122.12	127.61	122-34	123.27	112.74
Н		CONSUMER GOODS			1 1		-			Se 20		-
Н	21	(NON-DURABLE) (171)	207,71	-13.	16.33	. 632	8.16	218.47	299.47	20)77	212 31	195.2
H	22	Breweries (14)	231.44	-0.8	15.82	6.49	7.95	233.42	232.51	232.04	234.57	222.7
H	23	Wines and Spirits (6)	283,70	-1.6	16.38	5.25	8.97	288.34	287.14	282.64	285.98	236.9
ų	24	Entertalnment, Catering (17)	268.53	-20	13.81	6.56	10.57	271.23	269.28	272.04	274.54	245.33
Į	.25	Food Manufacturing (19):	200.69	-12	18.93	5.61	7.02	283.06	291.81	282.69	206.30	197.93
ı	26	Food Retailing (15)	225.21	-13	13.90	-5.25	10.06	228.08	227.05	226.71	229.65	-201.0
1	.32	Newspapers, Publishing (12)	370,83	-15	21.69	6.55	6.50	376.31	377.54	37823	379.66	336.25
1	33	Packaging and Paper (15)	130.17	-1.6	19.58	8.08	6.66	132.25	131.42	132 12	132.99	123.65
1	:34	Stores (40)	192.98	-15	12.26	4.89	11.79	196.00	195.14	19536	197.56	189.17
ı	35	Textiles (24) Tubacous (3)	179.52	-1.8	17.86	8.13	7.25	182.81	181.46	192.38	183.32	167.23
1	36		234.01	-1:1	25.71	8.62	4.99	236.59	235.00	236,50	240.09	216.84
1	37	Toys and Garnes (6)	92.25	-0.6	23.93	7.01	4.93	92.78	93.99	93.45	94.47	98.38
J	41	OTHER GROUPS (99)	194.86	-1.5	16.07	6.38	7.99	196.77	195.25	196.51	199.27	190.05
1	.42	Chemicals (19)	277.50	-12	16.48	6.81	7.89	288.79	279.20	279.96.	285,28	258.91
ı	43	Pharmaceutical Products (7)	242.11	-0.7	21.46	4.80	10.57	243.50	242.68	243.86	247.48	- 8.00
Į	44	Office Equipment (6)	126.06	-1.6	19.27	6.23	6.19	-128.07	120.17	129.35	132.25	122.60
1	46	Shipping (10)	407.19	-12	14.86	7.47	8.54	41213	408.91	407.85	410.56	450.69
1		Miscellaneous (57)	211.54	-0.8	18.12	6.77	7.29	213.19	232.35	2335	216.29	298.72
1	49	INDUSTRIAL GROUP (495)	217.48	_13	16.53	5.97	8.05	229.27	219.34	220.62	222.83	202.12
1	51	Oils (5)	515.08	-0.7	13.57	3.98	90.8	518.61	516.95	517.92	516.43	473.34
1	59	500 SHARE INDEX	242.11	-12	16.07	-5.65	8.04	244.97	244.00	244.54	247.24	224.63
8	6I	FINANCIAL GROUP(100)	167.86	-12		5.88	-,	169,93	168.22	168.47	170.55	156.66
1	62	8anics(6)	195.97	-22	24.84	6.01	6.23	208.42	197.54	196.48	199.79	129.23
ı	63	Discount Houses (10)	215.77	+8.3	l <u> </u>	8.20	· — ·	21535	216.92	218.28	218 14	215.72
ł	64	Hire Perchase (5)	164.66	-0.7	14.79	5.18	8.92	165,81	156.80	155.26	159.13	164.93
1	65	Imprance (Life) (10)	133.79	-11 -17		7.02	;	. 135.51	233,91	135.35	136.62	137.66
d	67	Insurance (Composite) (7) :	122.01		7536	7.19	-	.124,06	122.64	12313	125.40	132.84
1	68	Merchant Banks (14)	311.32	-0.6	1536	5.41	9:29	313.17	312.29	313.78	314.66	331.71
ı	69	Property (31)	77.71	-0.4	3.73	6.31	-	77.99	7792	78.34	79.19	-81_14
1	.70	Miscelaneous (7)	267.08 111.72	-0.1 +0.1	22.64	- 3.05 7.61	43.82	267:27	266.02	254.30	268.33	231.97
1	岩	Investment Trusts (50)	203.93	-14		526	5.72		111.56	112.46	mn	104.57
1	·an	Mining Finance (4)	203.93 102.57	-0.8	18.33	6.94	6.73	206.75	207.25	208.67	211.45	203.12
1	91	Overseas Traders (19)		-0.5	16.55	7.90	6.72, 7.57	103.41	193.95 298.13	102.72	104.73	25.38
1	99	ALL-SHARE INDEX(673)	207 77	-7.3				298.13		300.20	307.97	277.35
- 1	77	CATAINE INNEVIOLS "	[221.71]	1.2.		3.74	— I	224.33	223.28	223.87	226.35	298.52
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	British Government	Dec. 18	Day's, change %	nd ad). To-slay	nd adj. - 1978 to date	1 2 3		12.77	9.65 11.40 12.15	711 925 991
1 2	Under 5 years	142,76 114.53	-8.34 '-8.26	-8.42	9.19 10.87	5	Mediana 5 years	12.72	12.68 12.67 12.67	9.43 19.36 10.55
3	Over 15 years	115.66 122.76	-422 -427	.0.91	13.98 13.54	789		12.70 13.29	12.61 13.25 13.28	10.00 11.25 21.51
5	All stacks	189.21	-4.20	1.1	11.39	10	Irredeemables	11198		35.40
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(7.6 Reg ... 377 and 5 Agen... 378 and 5 Agen... 3 ent (a)(a) Dantscher, Investment-Trust. Equity & Law Life Ass. Soc. Ltd.Y AMEV Life Assurance Ltd.W General PortfoSo Life Ins. C. £1d.9 et Ltd.V Gresbam Life Ass. Sec. Ltd. Lineson Secs. Ltd.W (a)(c) Eurobond Heldings N.V. Handelskade 24, Willemstad, C Solar Life Assurance Limited P.O. Box 670, Hamilton, Bermuda Fidelity Ash, Ass. \$1523.76 Fidelity Int. Find. \$1521.21 Fidelity Page 64 \$1551.21 Fidelity Weld Fd. \$051604 -0.09 Fidelity Mgmt. Research (Jersey) Ltd., 7 Old Park Lare, London, W1 clared Int. Dep. 10282 15 0 184 | Merit Salt day December 25 Emity | 184 | Merit Salt day December 25 Emity | 184 | Merit Salt day December 25 Emity | 184 | Merit Salt day December 25 Managed Cao | 145 | 181 | Merit Salt day December 25 Managed Cao | 145 | 181 | Merit Salt day December 25 Managed Cao | 145 | 181 | Merit Salt day December 25 Managed Cao | 145 | 181 | Merit Salt day December 25 Managed Cao | 145 | 181 | Merit Salt day December 25 Managed Fird | 117 | 117 | Managed Fird | 117 | Merit Salt day December 25 Overlead: | 152 | 131 | Merit Salt day December 25 Managed Fird | 117 | 117 | Managed Fird | 117 | Merit Salt day December 25 Managed Fird | 117 | 117 | Managed Fird | 117 | Merit Salt day December 25 Managed Fird | 117 | 117 | Managed Fird | 117 | Merit Salt day December 25 Managed Fird | 117 | 117 | Managed Fird | 117 | Merit Salt day December 25 Managed Fird | 117 | 117 | Merit Salt day December 25 Managed Fird | 117 | 117 | Merit Salt day December 25 Managed Fird | 117 | 117 | Merit Salt day December 25 Managed Fird | 117 | 117 | Merit Salt day December 25 Managed Fird | 117 | 117 | Merit Salt day December 25 Managed Fird | 117 | 117 | Merit Salt day December 25 Managed Fird | 117 | 117 | Merit Salt day December 25 Managed Fird | 117 | 117 | Merit Salt day December 25 Managed Fird | 117 | 117 | Merit Salt day December 25 Managed Fird | 117 | 117 | Merit Salt day December 25 Managed Fird | 117 | 117 | Merit Salt day December 25 Managed Fird | 117 | 117 | 117 | Merit Salt day December 25 Managed Fird | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 7 Old Park Lane, London, W1. Watering Hise., Doo St., St. Heller, Jersey. 0534 Sun Afflance House, Horsham. 0403-6414]. Sun Afflance House, Horsham. 0403-6414]. Equity Fund 127.6 134.8 -2.0 Fixed interestEd 104.2 109.7 - La 109.7 - L Seekive Life Assur. Co. Ltd.W Canath Life Unit Tret. Magra. Ltd. 9 2-4-figs St., Pepers Be, Hers. P. Bar-51122 Can Gen Dist. 39.0 01 1 -0.4 4-0.5 Do. Gen. Accord. 50.2 51.7 -0.4 4-5 Do. Inc. Jis. 33.8 5-5 -0.3 4-4 Do. Inc. Jis. 34.8 5-5 Do. Go. Jis. 34.8 5-P.B= 51122 01-930 5400 Lieyt's Life Unit Tst. Mingrs. Ltd. 72-80, Satehouse Rd., Aylesbury. 0296 5941 NAV Nev. 30 SUS189.38 SUS1 Target Life Assurance Co. Ltd. . Hearts of Oak Benefit Society 15-17, Taxistock Place, WCIH 9SM 01-387 5020 Hearts of Oak 17.8 39.9 1.... Target House, Garehouse Road, Aylesbury, (02:5) 5941. Bucks. Agriculary (02:5) 5941. Man. Fund Inc. 97.9 103.1 9 Prop. Fd. Inc. 118.7 124.9 9 Prop. Fd. Acc. 153.3 9 Prop. Fd. Inc. 118.7 124.9 9 Prop. Fd. Inc. 117.5 102.6 9 Prop. Fd. Inc. 97.5 102.6 9 Ref. Plan Ac. Pen. 90.3 65.3 1.0 9 Ref. Plan Ac. Pen. 128.1 129 129 Ref. Plan Ac. Pen. 90.3 65.3 1.0 9 Ref. Plan Ac. Pen. 90.3 13.4 11 9 Gill Pen. Fd. Acc. 128.1 134.8 9 Frop. Pen. Fd. Acc. 128.1 148.9 9 Prop. Pen. Fd. Acc. 128.1 129.3 9 Gust. Pen. Fd. Acc. 128.7 17.5 9 Gust. Pen. Fd. Acc. 97.7 102.8 102.7 102.8 102.7 102.8 102.7 102.8 102.7 102.8 102.7 102.8 102.7 102.8 102.7 102.8 102.7 102.8 102.7 102.8 102.8 102.7 102.8 10 Charities Official Invest, Fide 77 Landor Wed, ECZV 108. 61 June 108 July 1 Sartmore Invest. Ltd, Ldn. Agts. 2, St. Mary Axe, London, EC3, 01-283 3531. Sartmore Fund Mogt. (C.1.) Ltd. (a)(h) 41, Broad St., St. Heiler, Jersey 0534-73741. 6nt Fandi Jersey)..... | 12-25 For Charleshouse Joshed see James Fieldy Dhieffein: Treist Managers Littly (a)(g) 11 New St. EC2N 4TP. 12 J. | Pens. Prop. Acc. 1973 | 1973 | 1973 | 1973 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 | 1974 0902 28511 Imperial Life Ass. Co. of Canada Hambre Pacific Fund Mgmt. Ltd. Hambros Bank (Guernsey) Ltd./ Hambros Fd. Mgrs. (G.L.) Ltd. unt Unit Tst. Mgrs. Ltd. Lane, EC2V6HH - DT-606 9262 Craigmontat Unix 130 -07-606 9262 -930 Foster Lane, EC2V 6HH . -07-606 9262 -930 Horiz Admirism . -17.0 50.4 900 Horiz Admirism . -17.0 50.4 900 Hod Mongh High line . 49.4 51.7 900 (31/a) Tity of Westminster Assur. Co. Ltt. Represe Home, 6 Whitehorse Road, Croyder CR0 Z.A. West Prog. Fued. 62.9 65.2 Managed Fund. 62.9 62.0 Managed Fund. 62.9 Managed Fund. 62.0 M Manulis Management Ltd. St. George's Way, Stevenage. Growth Units | 56.2 | 59.2 | 4.29. Mayflower Management Co. Ltd. 01-684 9664 4. Metrillé Cres. Edinburgh 3. 033-226-4571 Cres. Armer. Fd. 22.8 24.9 1.70 Cres. Internat! 27.7 619 1.70 Cres. Internat! 24.9 45.2 1.95 Cres. Teleprores. 40.0 42.7 4.95 Cres. Teleprores. 24.8 26.5 1.95 Cres. Teleprores. 24.8 26.5 1.95 01-606-8099 City of Westminster Assur. Sec. Ltd. Equity & Law Un. Tr. M.9 (a)(b)(c) | As at Nov. 30, Next sub, day December 29, Next CORAL INDEX: Close 471-476 Combil Insurance Co. Ltd. 32, Combili, E.C.3. 01-626 5410 | Decision INSURANCE BASE RATES 114%

OFFSHORE AND

8.60 Lloyds Sk. (C.I.) U/T Mgrs.

Samuel Montagu Ldn. Agents Murray, Johnstone (Inv. Adviser)

Richmond Life Ass. Ltd.

Rothschild Asset Management (C.I.)

1. Hearty Science was a Co. Lts. 120, Cheapside, EC2.

Cheap 5 Der. 15. 511.24 -0.22 2.85

Trealingto, Nov. 30 ... 512.34 -0.22 2.85

Asian Fd Der. 14. 5057900 14.51

Darring Fd, Der. 14. 541.93 2.95 +0.01 5.50

Japan Fd, Nev. 14. 5958.63 7.04 ... 6.44 Singer & Friedlander Løn. Agents. 🕟 20, Cannon St., EC4. 01-245 9646 Dekaronds. 0826 77 27.80 6.12 Tokyn Tst. Nov. 21 5US40.00 1.55 Stronghold Management Limited

TSB Bilt Fund Managers (C.I.) Ltd. -Beatrelle Rd, S. Saviser Jersey. 0534 73449
Gilt Fund Liv. 99.0 102.0 122.0
Gilt Fund Liv. 99.0 102.0 122.0
Prices on Dec. 13 Nert sub. day Dec. 20
Tokyo Pacific Heldings N.V. Tokyo Pacific Hidgs. (Seaboard) N.Y.

Victory House, Boughts, Isle of Man. 0624 24111. Nanaged Nov 16. [234.8 142.0] Unilife Assurance (Overseas) Ltd. Union-Investment-Caselkchaft mbH

Utd. Intni. Mingmet (C.I.) Ltd. 30, Gresham Street, EC2.
Civ. Int. Dec 15 SUS\$47 (0.02)
Eng. Int Dec 15 SUS\$1744 -0.09 Fr. St. SFB. Nov 30 SUS\$7.50
Merc End Dec 13 SUS\$1.62 10.53 0.1687.
Merc Bid Dec 13 SUS\$1.62 10.52 0.1687.
Merc Bid Dec 13 SUS\$1.64 10.52 0.1687.

FOOD, GROCERIES-Cont.

Years Over Fifteen reasury 8% Undated

INTERNATIONAL BANK 101 [794 | Spc Stock 77-82 | 82 | +4 | 6.10 | 11.07 CORPORATION LOANS

Warwick 1212% 1980... 100 |...... 12.50 | 12.44 COMMONWEALTH & AFRICAN LOANS 97.mi 5.82 11.09 82/2 6.43 11.98 77/4 9,70 12.53 77/4 9,70 12.19 893, 10.71 14.39 588 +1 _____ | 22 | Aust, 51-pc, 77-80 ... 51 | Do. 5-yr; 81-82 ... 12 | N.Z. 6pc, 76-80 ... 764 | Do. 71-pc, 33-65 ... 39 | Str. Africa 91-pc, 79-51. 50 | Sth. Read, 21-pc, 45-70 75 | Do. 6pc, 76-81 ...

LOANS Public Board and Ind. 8.58 | 12.10 13.60 | 13.45 11.15 | 12.90 7.63 | — 10.23 | 13.20 Financial

FOREIGN BONDS & RAILS + or Div. % Red." — Gross Yield Proce Artofagasta Riy...
Do. 5pr Prei.....
Chilean Mived
German Yng. 41gb.
Greek 7oc Ass...
Do 6pt 28 Stab. Ass...
Do 4pc Mived Ass... 73.10 442 77.20 312 16.24 5.13

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FINANCIAL TIMES
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EDITORIAL OFFICES Amsterdam: P.O. Box 1296, Am Tolex 12171 Tel: 240 555 Birmingham: George House, George Road, Telez 338650 Tel: 021-454 0922 Bonn: Presshaus 11/104 Heussallee 2-10. Telex 8869542 Tel: 210039

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CHEMICALS, PLASTICS-Cont.

DRAPERY AND STORES

Church Comb. Eng. 121₂₀ Cope Sports 5p. Cornell Dress 5p... Courts 'A'.....

Fixe Art Devs. 5 Ford (M'tin) 10p

House of Fraser House of Lerose Junes (Ernest) 100 Knott Mill 10p.

Liberty
Do. Nor. Vig. Ord.
Lincroft K. 10p.
MFI Furniture 10p.
MARIE 10p.
MAR

*212 101 | Time Frots. 10p.
111 | 82 | UDS Group......
45 | 24 | Ups Group......
137 | 108 | Vantona 20p....
138 | 64 | Walter (Jas.)...
130 | 62 | Do. N.V.....
134 | 74 | Waring & Gillow...
401 | 121 | Wearned! 5p....
24 | 17 | Warf Mill 10p2...
73 | 61 | Walter Warten...

ELECTRICAL AND RADIO

51 6.0 5.9 51 3.0 6.9 51 3.4 6.1 55 1918.7 42 4.4 7.3 — 152 — 121 9 23 9.2 7.1 14 9.6111

BANKS & HP-Continued BONDS & RAILS—Cont. 80½ mi 77 355 mi 67 750 750 59412 DM91 900 mi 72 De San Jac 191-96. Japan 4pc 10 Ass De Sac 83-88 — Pèru Ass 3pc — S.G.I. 61-pc 1980 Turin 9pc 1991 — 6 1220 3 216 61 8.67 9 953 61₂ 8.45 31₂ 4.80 M81 Turin 61 inc 1991 94 Uruguay 31 inc..... U.S. \$ & DM prices exclude Inv. \$ premium AMERICANS + or Dir. YM 1978 High Low Stock £ 134 | ASA |

Caterpilari Chase Miton \$12.5 Chesebrough \$1 Chrysler \$614 Citlcorp \$4 Citlcorp \$4 City Inv. \$1.25 Do. Cm. Prf. B \$1 Colgate-P. \$1

Colgate-P. S1.
Colt Inds. S1.
Cont. Hilrois S1.
Cont. Oil S5.
Couter-Hammer S1.
Eaton Crp. S0.50.
Esmark

Exron ||______ Firestone Tire || . First Chicago _____ Fluor Corp. Stg ____ Ford Motor \$2

GATX
Gen. Elect \$2'2
Gillette \$1
Honeywell \$1.50
Hutton E.F.
J.B.M. Corp. \$5
Jagersoll-R \$2
J. U. Internationalii

Kaiser Al. \$1₃ Marf. Har. US\$7.50 Morgan (JP) US\$2. Norma Simon Inc. \$1 Owens- III. \$3.12

Inco Inf. Nat. Gas \$1. Massay Ferg.II... Pacific Pet. \$1. Place Gas \$1. Rio Algon Royal Bk. Can. \$2.

Stack

20 131, Seagram Co. CS1 147, 9550 For Dom. Bk. S1. 121, 880p Trans Can. Pipe...

1978 Rigis Low

\$2.00 \$1.50 \$1.50 \$1.60 \$1.60 \$1.40 \$2.00 71.50 \$3.00

90c \$1,64 \$1.00 40c 80c

\$1.14

9.12 2.23 15.41 0.13 2.79 15.15 19.76 14.97 10.59: 03.65 8.74 0.67

-25

Premium 357,% (based on US\$2.0078 per £)
.Conversion factor 0.7367 (0.7404)

CANADIANS

7.5 4.4 6.7 Hire Purchase, etc. | Calife': (Hdgr) 10s | 35s | 1thd R6 | 20 | 8.01 | 93 |
Cice B' cre Fr. 100	572	22	212%	21	- 21	
Lindra S cont Zin, 11	25	21	21	21		
Lindra S cont Zin, 12	25	21	21	21		
Lindra S cont Zin, 12	25	25	25	25		
Morgate Mer. 10p	28st	12	42	23	75	8.7
Strick, Credit 10s	25	109	23	75	8.6	
Wagon Finance	41	11	12.09	23	7.6	8.6

BEERS, WINES AND SPIRITS light'd Dist. 20,

BUILDING INDUSTRY. TIMBER AND ROADS

Bambergers Barratt Dev. 10p . Beechwood 10p Comben Gp. 10p... Costain R.

F.P.A. Const'n. BANKS AND HIRE PURCHASE

CHEMICALS, PLASTICS

100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 258 1258 1201 3100 165 527 4172 71 45 146 84 277 100 115 242

ENGINEERING MACHINE TOOLS

29 45119 44 4473 42 33114 42 43 83 33 52 76 29112 46 60 35 54 60 35 57 5.8 (71) 2 6.9 91 10 94 166 34 63 71 38 89 41 30 39 131 **ENGINEERING**—Continued Stocks (Joseph)
Tate & Lyle E1
Towener fort 20p
Tescol 5p

B'house Dud. 10p Bristol Channel

HOTELS AND CATERERS

INDUSTRIALS (Miscel.) 25 Barget 179 Barlow Rd. R10t.

1 405 1 1008 Centreway 50s Cambartan 50 Cambartan FL 10s Chand tan FL 10s Chand 52s Chand

Habric 10p dambore 17:p. dambore 17:p. 25c; Rarscon 17:ps. Do Hyp. Con 87:78; Rarscon 20p dam's (Pt. 120p dam's 6 Sheddon 19:ps. Sawtin 50 Sawtin

OOD, GROCER

Alpine Soft D 10to	140ml	
Ass. Biscuit 20p	72	
Ass. Briteries	56	
Ass. Briteries	199ml	
Ass. Fisheries	40	
25	Ass. Darries	199ml
26	Ass. Darries	199ml
27	Ass. Fisheries	40
28	Ass. Briteries	40
29	Barier & D. 10p	143
Barr (A.G.)	76	
Barrow Milling	52	
Basrew Milling	52	
Bassett (Geo)	1131	
Battleys York 10p	61	
Battleys York 10p	61	
Battleys York 10p	62	
Bassett (Geo)	1131	
Belam 10p	61	
Bassett (Geo)	177	
Bishop's Stores	145	
Do "A" NIVG	93	
Bluebird Conf	77	
Broken God	47	
Cart's Milling	64	
Cart's Milling	65	
C 77	23 135ml -3 2.30 22 + 12 10.52 47 - 12 3.09 5412 - 12 3.09 542 - 12 10.9 199 - 2 102.4 194 1.9 132ml - 2 4.39 13	

FOOD, GROCERIES, ETC.

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هكذامن الأحيل

PROPERTY - CONTINUE TO THE PROPERTY - CONTINUE T PROPERTY—Continued FINANCE, LAND—Continued MINES—Continuéd AUSTRALIAN #11138#52255\$545<u>#11260055#866</u> Q3c |-3 | _-|+030c |-15 | 95 |-3 | 95 |-12 | -|+5 | 07c "Recent Issues" and "Rights" Page 36 | Section | Sect | TRUSTS, FINANCE, LAND | Investment Trusts | 1.60 | 49 | Aberdeen Invs. | 58 | ... | 12.39 | 1.0 | 6.1 | 24.1 | 1.77 | 1.18 | 3.18 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1.19 | 1 3-month Call Rates Finance, Land, etc.

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FINANCIALTIMES

Tuesday December 19 1978



Iran troops mutiny in demonstration

TEHRAN - A mutiny by some Iranian troops during a demonstration against the Shah has raised fears about the loyalty of the Iranian Army.

The latest incident happened in the north-western industrial from his centre in the holy city city of Tabriz when 25 soldiers laid down their arms and allowed opposition demonstrators to take over their vehicles, armoured personnel carriers or

A colonel is reported to have joined them and last night the Government admitted that a unit in Tabriz had been recalled to

The demonstrators were obser-. ving a national day of mourning called by the religious leaders of Iran's Shia Moslem community in memory of those who died last week in a pro-Shah backlash to previous opposition demonstrations.

The Tabriz incident comes a week after a report that members of the Shah's bodyguard. the Imperial Guard, had mutinied in their barracks near his palace in northern Tehran, killing 15 officers and injuring

Officials have since indicated that the men concerned were not soldiers but had put on army uniforms to infiltrate the base. That account is widely dis-believed.

BY ARTHUR SMITH

The Government, under the

terms of its rescue deal nego-

tiated in 1975, is committed to meeting only half of any deficit

this year up to a total of £15m.

But PSA Peugot-Citroen, the

PSA has said that, however

the three Chrysler Europe sub-

sidiaries in France, the UK and

PSA shareholders meet on

Thursday to approve the assue

of 1.8m shares to be taken up

by Chrysler Corporation as part

of the takeover deal. The

British Government has already

given broad approval to the

Though the scale of the losses

Continued from Page 1

barriers to normal trade.

ment succeeds in its aim of

maintaining the stability of sterling, and on whether there

in view of the close links

between the two economies and

Weather

UK TODAY

FOG in parts, some rain later. London, S.E. E. Anglia, E., and

Cent. S. England, Midlands

Fog at first, dry sunny intervals later. Max 5C (41F). N.E., N.W. and S.W. England, Wales, Lakes

BUSINESS CENTRES

39 Tel Aviv

speculative outflows to

suffered by Chrysler UK clearly of the car, which will not be known until the throughout Europe

Exchange controls

depend on whether the Govern- sterling continued.

exchange controls on both clated and non-associated Irish inflows and outflows, which it banks met officials of the Irish is believed will create no Central Bank yesterday and

being able to maintain this should carry on as normal while

exchange-control policy will the one-for-one parity link with

The British decision is un- January 1 under a 21 per cent

doubtedly the simplest solution, bond rather than one of 6 per

the practical difficulties which been taken to avoid speculation would have arisen if controls against the Irish pound and has

Stewart Dalby writes from ment by EEC members in Dublin: Representatives of asso- exchange for the better grants

chances of Britain's business was concerned they

would not be prejudiced.

industrial disputes.

Chrysler UK heads

CHRYSLER UK seems set for end of the year, the company's

heavy losses in the current year performance has been very following its series of damaging disappointing.
industrial disputes. Under the planning agree

French motor group which is lems at Linwood, Scotland, the expected to sign an agreement company confined losses in the

on Thursday to buy Chrysler first six months to only

UK as part of its purchase of £837,000. A subsequent long

the Chrysler Corporation Euro- stoppage by toolmakers dis-

pean operations, has already rupled output at the two made clear that it will not be Coventry plants during the

unsatisfactory the results from Coventry, which returned to

Spain may be, its \$430m deal casualty of Chrysler's troubled

for heavy losses

An important factor in the most recent incident is believed most senior religious leader in the country. Ayatullah Shariat of Qum not to shoot. Moslem

The Tairiz incident started soon after soldiers were said to have opened fire on several thousand opposition demonstra-

It is bound to raise questions

about the loyalty of the Army. On the whole, the Army has been loyal to the Shah and the military government of General the Prime Minister. Over the past 20 years the Shah has personally vetted the promotion of any officer above major and has encouraged the development of the Army as a military caste separate from the

rest of Iranian society. Until the Tabriz incident, that policy appeared to have

A national strike called yesterday by Ayatullah Khomeini, the religious leader in exile in Paris, was evidently widely observed throughout Iran. Workers who did not strike are believed to have continued arriving at work but going slow.

ment negotiated with the trade

be signed by the Government, Chrysler was forecasting a small profit.

The Ryton assembly plant,

work last week after an un-

In spite of the problems. PSA is believed to have told

the Government that it will go

ahead with Chrysler plans to

introduce a new car at Ryton

The car, a derivative of the

successful Alpine model, will be

a four-door vehicle with a boot-

Ryton will be the sole supplies

of the car, which will be sold

were told that as far as normal

A major problem overhang-

ing the money markets when

they open today is that the Irish Government has decided

to go into the EMS on

cent. The decision is said by

Government officials to have

not been forced on the Govern-

Fog patches, becoming cloudy

E. and Cent. Scotland, Argyll

Highlands. Scottish Islands, Isle

of Man, N. Ireland Cloudy, some rain. Max. 7C

S. and E. Scotland

official strike, is only the lates

industrial relations.

next year.

Reports from oilfields and refineries show that production continues to increase from the low levels of last week when the figures dropped nearly as far as in a similar action in

Oil production was 2.6m barrels, compared with more than 5m normally. On Saturday the figure was 2.14m.

Our Foreign Staff adds: Strikes by the staffs of Iran-Japan and the Iran-Nippon Petrochemical companies in Bandar Shebpur, on the Gulf, have ended, the official news agency said.

However, many Customs officers in the Gulf ports and on the Turkish border are still strike. Goods and equipment are being dumped on the Turkish side and the ports are crowded with goods awaiting

Maurice Samuelson writes: British Petroleum has reduced oil supplies to customers by about 25 per cent since November because of the troubles in

Most of the 13 other participants in the Western oil consortium exporting from Iran have also reduced deliveries. BP is the largest single operator

Banking in Iran Page 4

ICL order

could fall

U.S. Act

Prolimeration Act.

ment of Commerce.

fissile materials

weapon state.

nuclear weapons.

United Ringdom

the U.S.

concerned

13m UK Atomic Energy

Authority order for computers, placed with International Computers, could full foul of the new U.S. Non-

Commercial executives with

ICL and its U.S. micro-eircuit

supplier Intel have dis-covered simultaneously that

the British company could

require a special export

licence from the U.S. Depart-

A licence is needed for the

with

" sensitive

refining

such as

export of any equipment for

use with the "sensitive" nuclear technologies—those

plutonium and uranium-235-

even when, as in this case,

recognised as a nuclear

242, approved by President Jimmy Carter last march, is

a complex one. It represents

a compromise between widely

differing factions in the U.S.

Administration and Congress

on the question of tightening

controls on U.S. exports of technology which might become associated with

ICL buys many of its more

The UK contract which has

raised the problem is for several 2900 systems, worth

more than £13m., for the

Energy Secretary, earlier this Winfrith establishments. It

was announced in September

and the first two machines are

and the fast-breeder reactor

establishment at Dougreay.

are using the Risley complex.

Nuclear export security guide

Page 6

Both British Nuclear Fuels

due to be delivered in 1979.

advanced micro-circuits from

importer is already

The Act. Public Law 95-

foul of

Right tightens hold upon electrical union

BY CHRISTIAN TYLER, LABOUR EDITOR

RIGHT-WING CONTROL of the rate, Mr. Bill Hayes, an electrisecond largest craft union has been consolidated with the crushing defeat of two Left-wing members of the national executive of the Electrical and Plumbing Trades Union

Bailot results announced yes-terday mean that moderates will hold all the electricians' seats, leaving only two of the three plumbers' lay representatives constituting the political constituting "opposition."

Including Mr. Frank Chapple, the general secretary, and Mr. Charles Lovell, the national secretary, who now have votes on the executive the balance is for the South Wales division, is vacant after the recent death of the moderate Mr. Bernard

The defeated Left-wingers are Mr. Harold Best in Yorkshire and Humberside and Mr. Phil North-East England.

Marxist, stood against Mr. Chapple in the last elections for the general secretaryship. He was the subject of an internal union inquiry follow- merger. ing what was described as out-Communists on his behalf. He was defeated by a mode-

cal engineer, who polled 4.147 votes to Mr. Best's 3,712. Mr. Rainshaw was eliminated under the single transferable vote system, and his seat won by Mr. Barry Davis, a Durham area official, who polled 2,722, with Mr. John Jordan second with 2,640 votes. An announcement from union

headquarters said that mode rates had secured another success. The two defeated sitting members were "normally associated with opposition to the moderate majority.' Since the Communist ballot-

rigging scandal and subsequent trial in the early Sixties, the EPTU leadership has been noted for its anti-Communist The latest elections, conducted

by the Electoral Reform Society. will have little influence on But the results reinforce the

EPTU's political alignment with the Amalgamated Union of Engineering Workers, where the Right has made a clean sweep in recent years, and with whom the electricians are seeking a

The electricians' Yorkshire side interference in the form and North-East areas were one of an organised campaign by large division, and held by a moderate until they were split five years ago.

OSLO — Britain has made an official complaint to Norway about the steep rise in development costs on the Anglo-Norwegian Statfjord oil field. which straddles the median line between the two countries in the North Sea. The complaint comes in a letter from Dr. Dickson Mabon. UK Minister of State for among shippard workers is Energy, to Mr. Bjartmar Gjerde, the Norwegian Oil Minister.

It follows a long and simu ing argument between the two countries over the field, which is being developed at a cost of more than £3bn and is the largest in the North Sea. The entire Seld is being managed by the Norwegian subsidiary of the U.S. company, Mobil.

Dr. Mabon claims that Britain could have developed its part of Statfford more cheaply on its own than in partnership with Norway. He urges Mr. Gjerde to bring costs under control as quickly as possible, and hints that Britain will have to consider some kind of action if no

British claims to a larger share of Statfjord-the Norwegian Government owns more than 85 per cent of the field-and indicates that Britain is becoming increasingly sceptical about o-operating with Norway in the development of fields which straddle the sector boundary. It also criticises Norway's tendency to favour Norwegian industry where North Sea con-

tracts are allocated. between £9m and £10m. is for

the field's second platform, Statfjord B. Redpath Dorman Long, the

British Steel Corporation subsidiary, was one of the eight companies or groups invited to tender, but the order went to a firm in a west Norwegian where unemployment reports say the Norwegian company was allowed to lower its original bid in order to secure the contract. Initially, one of lowest bids was presented

Blohm & Voss of Germany Mr. Gjerde has rejected the the charges of protectionism and the criticism of cost management on Statfjord. In a radio interview, he said that Norwegian-British relations had not suddenly worsened and there was no danger that Britain would withdraw from joint projects in the North Sea. Britain had, all along, been dissatisfied with its share of the Statfjord field, and with the share of Norwegian - sector

His letter repeats earlier the amount of work which Nor-"a rather extensive organisa-On our side we have only two

> The Norwegian Oil Ministry early this week.

 In London, it was unclear last night what, if any, action The immediate cause of Dr. Britain might take if the reply or nave been the recent award stry is not regarded as "accept-of yet another large Statiford able." The Department Mabon's letter is thought here from the Norwegian Oil Miniof yet another large Stattjord able." The Department of contract to a Norwegian com- Energy said the argument over pany. The contract, worth Statfjord was still at the discusthe accommodation section of was yet being considered.

Britain complains at Statfjord field costs

BY FAY GJESTER

acceptable reply" is forthcoming.

orders going to UK industry.

wegian firms got from the British sector. The British had tion" looking after their industries' interests in the North Sea. or three men," he pointed out.

said that a reply to Dr. Mahon's letter would be despatched

Bank guarantees urged for loans to small companies

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

small companies.

Mostly cloudy, some rain. Max. 6C (43F). Outlook: Bright intervals, showers.

HOUDAY RESORTS

the Bank of England to per- selves, either collectively or and this has now been taken up suade the main clearing banks jointly. The extent of the pilot that they should set up a special scheme might be limited by the guarantee scheme for under- amount of money it is given to writing the loans they make to spend or it might be launched This is the latest in the series or other involvement by the Gov-

of initiatives launched by the ernment although there have Government during the past been some suggestions that it year to help small companies. But it has not so far gained much support from the clear- ing the guarantees. ing banks, several of which consider that they have sufficient special arrangements already.

Following a meeting last ment since the idea was first week, however, between the Bank of England and the clearing bankers, the outlines of a possible scheme are being explored at the request of Mr. Harold Lever. Chancellor of the Duchy of Lancaster, who is responsible for the Govern- real need for a loan guarantee ment's small-company policies-

The idea is that there should be a pilot insurance scheme pressure groups have continued would be financed and

in a specific area of the country.

There would be little financial might be prepared to fund up to 10 per cent of the cost of meet-The Treasury and the Depart-

ment of Industry have opposed any major Government involvemooted earlier this year. A report from the National Economic Development Council's Roll Committee on finance for industry reflected this view in August, and added that it could not identify any

Since then small company to urge that a scheme should be

THE GOVERNMENT has asked organised by the banks them- tried on an experimental basis by the Government which is looking for a new measure to announce for small companies early next year.

The Wilson Committee on Financial Institutions is also expected to back the idea in its report on the financing of small companies which is due to be published soon. Mr. Lever has made it clear

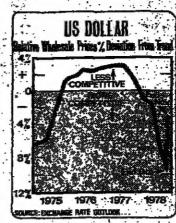
in a letter to clearing bank chairmen that he considers a scheme could be useful if it stops owners of small companies being discouraged from enlarging their businesses, by the extent of personal guarantees demanded by the banks. He has also told bankers that they should be prepared cautiously to push forward the frontiers of risk taking associated with their lending. They should be prepared to back a scheme that links such an approach with easing the personal problems of small THE LEX COLUMN

Dollar gets some crude treatment

average year-on-year rise in the price of oil of 10 per cent, this rise had been triumed back to 8.3 per cent for the major European countries. This was the measure of the dollar's reaction to the news. It was clear that the U.S. administration and much of the U.S. financial establishment had been lulled into a sense of false the richer OPEC nations. The official picture was that these nations had approved the dollar defence package and would not jeopardise the value of their dollar holdings. The reality is that diversification away from the dollar were possible remains their most likely course. It is a dangerous development for a currency which has, since the November package, never really heen able to stand on its own two feet. This is why Wall Street took fright last night.

of the uncertainty over the dollar was the swift reaction of the gold price which jumped nearly 86 to \$2121 per ounce. This rise is all the more ominous in that it took place on the eve of the U.S. authorities' first "super gold auction " later On an annual basis monthly auctions on this scale are equivalent to 80 per cent of production by South Africa (far and away the world's largest gold producer) and should prove a real test of the gold market's appetite. The U.S. authorities have taken a calculated risk that by dumping this produced the produced that the the amount of gold on the market they will defuse the yellow metal's speculative appeal.— Judging by yesterday's strength

far failed to do this. Once again it is the Deutsche Mark which will bear the brunt dollar-its dollar value was up by 1.8 per cent yesterday. This might seem perverse in that in its steel industry, but it is wide quotes. a problem. Some the lack of a readily available alternative that sends the diver- Bank supervision And already the virtuous circle of the declining Deutsche Mark impact of the oil price increase result is that the OPEC decision constitutes a baptism of fire for the EMS: the rates for the new members-Italy, France, and



strong Deutsche Mark could be a bugbear from the word go. But the OPEC decision has come as a booster for sterling just as the Irish are moving into the EMS. So there is no immediate prospect of speculafrom the UK into Ireland in search of a quick profit. In these relaxed circumstances the UK authorities have decided not to bother about imposing exchange controls between the UK and Ireland, though they are no doubt ready to take measures overnight at the least

fore leaving the UK speculators out. Yesterday's message: was simply that they should not assume they will get a premium July 6, is being talked about as one possibility). These are correct tactics for the UK authorities, but the investment currency dealers will hate them for it: yesterday the premium was moving inconclusively with Germany is singularly vulner- dealers assessing the possibility able to an oil price rise and is of loopholes, emerging, and going through a historic strike meanwhile maintaining yers

at pains to emphasise that its brokerage in the U.S. which actions against the fringe notched up sales of \$17m in the banking concerns, Kendal and latest period.

Dent and Barnett Christie, are So far of course, there is unconnected in any way. Yet it nothing in sight to compare is close that is beginning to operate. The Dent and Barnett Christie, are is clear that the DoT has been with the £18m von Hirsch sale. much more vigilant recently It seems members—Italy, France, and likely in both of these cases. Ireland—are to be set on the that DoT investigators have last Friday of the year and a been at work for some time-

Index fell 7.0 to 474.0 months. No doubt it is just coincidence, but the fact remains coincidence, but the fact remains that the department's tough action comes at a politically opportune time. Not only is the Wilson committee studying the whole area of company supervision, but the Banking Bill promises new powers in the near future. 10

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The authorities also seem to The authorities also seem to be tightening up on dishing out the coveted authorised banking status (the top runig on the banking ladder). In its latest list of authorised banks, the Bank of England has dejeted, the name of Banque pour is Commerce Continental This hash was taken over carrier this commerce Continental This hank was taken over earlier this year by part of Sir James Goldsmith's Generale Occidentale Group, and the authorised status has not been handed on even though the bank is still operating in London. The message seems to be the this message seems to be that it is far harder to win authorised. status these days

Sotheby

Sotheby's profits for the year to August are up from \$4.87m there is more to come in 1978-79 The overseas contribution to the letest figure is up from 38 to spectacular gains. Sales in Monaco, for instance, have more than doubled while Switzerland The UK Government is there, is up by a half to over £10m.

Auction sales during the first four months of the current season are up by nearly two fifths, and profits growth should be even greater since the avec windfall, implying at least the age price per lot has risen very chance of a cut-off date (the substantially. Apart from date of the Bremen meeting, rising prices, Sotheby puts this July 6, is being talked about down to the fact that higher as one possibility). These are quality property is being In addition, the current yest will get part of the benefit of

the imposition of the buyers premium (from January) on U.S. sales. This could add about 3 per cent to revenues on a business which last year generated over a third of Sotheby's suction sales. At the same time; Bank supervision various new activities are coming through the develop.

The Department of Trade is ment stage such as real estate.

pair of 1977,78: The shares yield 4 per cent at 338p, and the p/e is around 10.

Norcros Limited Interim Report

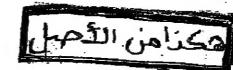
for the half year ended 30th September 1978

Operating surplus before tax up 17.8%

Summary of results	-31 March 1979 GRighys Half year Half year £000 £000	
Group Sales (Including share of Associate of		96,543
United Kingdom sales Exports Overseas companies sales	63.789 62.346 10.346 13.676 15.360 13.142	126,290 27,631 25,790
Pre-tax surplus	6,532 5,543	14,512
Earnings per Ordinary Shareho Shareholders Ordinary dividen	0/02F	er share 14.70p 4.42p
External sales per employee	£14.296 £14.786 £	15 148

Copies of the interim report and group brochure are available from The Company Secretary Norcros Limited, Reading Bridge House, Reading, Berks. RG1 8PP.





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